

1994

ANNUAL
REPORT

December 31, 1994

Investors Money Market Fund

Investors Mortgage Fund

Investors Government Bond Fund

Investors Real Property Fund

Investors Global Bond Fund

Investors Retirement Mutual Fund

Investors Canadian Equity Fund

Investors European Growth Fund

Investors Pacific International Fund

Investors Asset Allocation Fund

Investors Corporate Bond Fund

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Cover Photo: "Flowing Waters", Michael Grandmaison

Economic Outlook



OUR INVESTMENT TEAM

Bob Darling, *Senior Vice-President, Securities*
Charlie Whelan, *Senior Vice-President, Property*
Al Brownridge, *Senior Vice-President, Bonds*
Scott Penman, *Senior Vice-President, Equities*
Orest Ludwick, *Vice-President, Portfolio Manager*
Tighe McManus, *Vice-President, Portfolio Manager*
Murray Mitchell, *Vice-President, Real Estate*
Larry Sarbit, *Vice-President, Portfolio Manager*
Derek Smith, *Vice-President, Portfolio Manager*,
I.G. International Management Ltd.
Don Smith, *Vice-President, Mortgages*
Bill Chornous, *Vice-President, Portfolio Manager*
Quinn Bamford, *Portfolio Manager*
Rick Fourneaux, *Portfolio Manager*
Menno Peters, *Portfolio Manager*
Geoff Barth, *Portfolio Manager*
Paul Hancock, *Portfolio Manager*
Martin Fahey, *Assistant Portfolio Manager*,
I.G. International Management Ltd.
Lisa Cave, *Portfolio Assistant*
Jeff Hall, *Portfolio Assistant*
Kevin Nyysola, *Portfolio Assistant*
Tony Warzel, *Portfolio Assistant*
Vicky Scott, *Equity Trader*
Pat Rogers, *Bond Trader*
Terry Wong, *Assistant Equity Trader*

Managing in a changing environment

We live in a complicated, changing world. That's why astute investors opt for professional management. That's why you have chosen mutual funds offered by Investors Group. We recognize the energy and concern that you devote to managing your money. In fact, it mirrors our own.

Continuing expansion

Changing markets and numerous client requests led to the launch of Investors Asset Allocation Fund in January 1994. An immensely popular option for many people, the Fund's assets have grown to more than \$400 million in less than a year of operation.

By actively shifting assets between stocks, bonds, and cash, the Fund strives to select undervalued asset classes. It will play a useful role for investors wishing to add a more active element to their investment mix. This year, we also introduced Investors Corporate Bond Fund. It is attractive to investors who are seeking a higher level of current income than what is available from Government of Canada bonds.

With more than \$24 billion in assets under administration for over 650,000 clients, Investors Group continues to improve its systems. Responsiveness is our watchword, and this has meant significant enhancements in our service to clients. We will continue to strive for excellence in this area.

The year in review

The investment climate has become more challenging over the past year. During 1993, both stocks and bonds were driven upwards because of low interest rates and high levels of optimism. Results in our Funds far exceeded original expectations. More recently, tightening monetary conditions, heightening expectations of future inflation, and general investor uncertainty have meant setbacks in virtually all stock and bond markets around the world.

For many investors, confusion reigns. The markets, particularly in North America, are in transition as the driving force changes from falling interest rates and low inflation to rising corporate earnings. While painful in the short run, this is a positive development.

Interest rates do have an effect on the market. At some point, though, the market should become less preoccupied with inflation and interest rates and pay more heed to economic recovery. We expect that increased corporate earnings will have a positive impact on share prices and that earnings will continue to recover over the next year.

Recent developments in international currency markets have done little to dispel this sense of uncertainty. The U.S. dollar has declined sharply against other currencies, and this could lead to further short term interest rate increases.

In Canada, since so much of our debt is held by foreign investors, interest rates may have to remain at current levels in the near term to attract bond buyers from other countries.

Despite these issues, we believe that stock and bond markets will continue to deliver attractive returns over time. However, selectivity is key. The investment team has this as a clearly defined goal.

Looking ahead

The past year serves as a reminder about markets. Volatility has become the norm. Financial markets move in fits and starts – long advances followed by sharp retreats. The general trend, however, has always been up, and we see every reason for this pattern to continue.

Actually, the prospect for positive investment returns has increased significantly by virtue of recent market declines. It will be necessary, at first, for markets to allay the fears of rising inflation and overly strong economic growth. Positive market results should follow.

As we look forward to 1995, this seems entirely possible. We remain optimistic that the investment approach we've outlined here will continue to help Canadians achieve financial security.

On behalf of the Board of Directors,
of Investors Group Trust Co. Ltd., Trustee for

Investors Money Market Fund,
Investors Mortgage Fund,
Investors Government Bond Fund
Investors Real Property Fund,
Investors Global Bond Fund,
Investors Retirement Mutual Fund,

Investors Canadian Equity Fund,
Investors European Growth Fund,
Investors Pacific International Fund,
Investors Asset Allocation Fund
and Investors Corporate Bond Fund

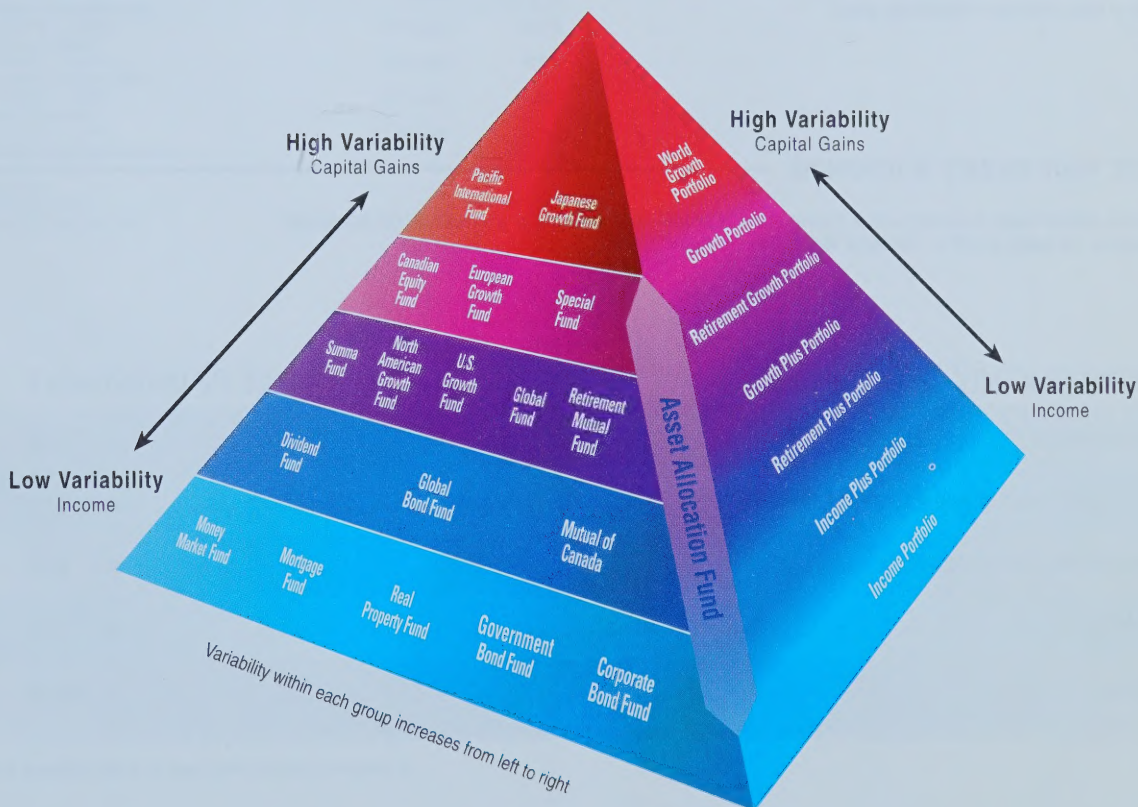
Dale A. G. Parkinson

Dale A. G. Parkinson
Chairman

R. E. Archer

R. E. Archer
President

Investors Group Variability Pyramid



Investors Money Market Fund

Interest rates rise significantly

Investors Money Market Fund offers investors a high level of current income and liquidity. Its portfolio comprises short-term federal and provincial Treasury bills and corporate paper issued by some of Canada's strongest corporations.

Term to maturity. Over the course of the year, the Fund extended the maturity of its portfolio to take advantage of higher yields provided by longer-dated money market investments. The Fund has been reinvesting its portfolio at even higher rates in recent months, as short-term rates rose dramatically in the latter part of the year.

The average term to maturity of the Fund increased from roughly 30 days at the end of 1993 to close to its maximum allowable limit of 90 days by year end.

Asset mix. While commercial paper played a large role in the asset mix at the beginning of the year, the Fund reduced its exposure to this sector as supply became scarcer. As the year progressed, the Fund shifted its focus to longer-dated federal government Treasury bills.

Outlook. Relatively strong business activity in North America should continue to put upward pressure on money market interest rates during the first part of the year. The Fund will continue to lock in these higher yields in anticipation of a more favourable interest-rate environment later this year when economic activity cools to a less inflation-threatening pace.

Performance Highlights*

1 yr	3 yr	5 yr
4.47 %	4.80 %	7.07 %
Inflation**		
0.23 %	1.35 %	2.56 %

Financial Highlights*

Total net assets	\$ 400,763,163
Number of Unitholders	34,943
Asset value per unit:	
High	\$ 1.00
Low	\$ 1.00
Close	\$ 1.00
Income distributed per unit:	
	\$ 0.044

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance.

** As measured by the Consumer Price Index, December 31, 1994.

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment. For example, for every \$100 in Investors Money Market Fund . . .

PORTFOLIO MIX at December 31, 1994

VALUE OF INVESTMENT

GOVERNMENT GUARANTEED SHORT-TERM NOTES	\$ 72.45
CORPORATE AND MUNICIPAL SHORT-TERM NOTES	\$ 18.73
PROVINCIAL AND GUARANTEED SHORT-TERM NOTES	\$ 9.26
RESERVES	\$ (.44)
TOTAL	\$ 100.00

A complete portfolio listing begins on the following page.

Investors Money Market Fund

Statement of Investments

as at December 31, 1994

(in thousands)

	Par Value	Market Value
INVESTMENT RATED		
MONEY MARKET SECURITIES		
British Columbia Telephone Company		
01-12-95 5.65%	\$ 8,000,000	\$ 7,947
Canadian Imperial Bank of Commerce		
01-19-95 6.28%	10,000,000	9,937
City of Metro Toronto		
01-12-95 6.55%	12,000,000	11,938
Ford Credit Canada Ltd.		
02-16-95 6.55%	10,000,000	9,890
General Motors of Canada Ltd.		
02-01-95 6.40%	10,000,000	9,918
Government of Canada		
03-09-95 5.69%	44,200,000	44,200
03-09-95 6.00%	1,000,000	971
03-09-95 6.37%	15,000,000	14,538
03-15-95 6.01%	23,000,000	22,331
03-15-95 5.96%	10,000,000	9,713
03-23-95 6.65%	25,000,000	24,592
04-13-95 6.00%	25,000,000	24,274
05-11-95 6.16%	20,000,000	19,404
05-25-95 6.38%	10,000,000	9,692
06-01-95 6.65%	20,000,000	19,361
06-08-95 6.78%	10,000,000	9,673
06-08-95 6.76%	10,000,000	9,674
06-15-95 8.06%	10,000,000	9,613
06-15-95 7.67%	5,000,000	4,816
06-15-95 7.17%	10,000,000	9,655
06-15-95 7.65%	15,000,000	14,449
06-15-95 7.49%	10,000,000	9,640
06-15-95 7.17%	10,000,000	9,655
06-22-95 7.36%	25,000,000	24,115
Mobil Oil Canada		
01-05-95 6.20%	10,000,000	9,800
Province of Alberta		
01-04-95 7.12%	10,000,000	9,659
Province of New Brunswick		
03-09-95 6.76%	19,000,000	18,726
Province of Ontario		
03-21-95 6.02%	9,000,000	8,741
The Molson Company Ltd.		
03-09-95 6.83%	5,000,000	4,927
The Thomson Corp.		
03-15-95 6.07%	11,000,000	10,691
Total Money Market Securities		\$ 402,540
Net Assets:		
Total investments	\$	402,540
Cash and other net assets		(1,777)
	\$	400,763

Investors Mortgage Fund

Mortgage rates rise steadily

Investors Mortgage Fund holds a portfolio of top-quality Canadian residential and commercial mortgages, bonds, and mortgage-backed securities to provide investors with a high level of income. Historically, prime residential mortgages have paid roughly half a percentage point more than Guaranteed Investment Certificates of comparable terms.

Asset mix. At the beginning of the year, mortgage rates stood at a 25-year low, with most investors opting for longer terms. However, over the course of the year mortgage rates increased on average by more than three percentage points. The average term to maturity of the Fund's mortgage portfolio has remained steady throughout the year at roughly 36 months.

Rising mortgage rates had a negative impact on unit value, but the Fund was able to take advantage of this trend by investing reserves in new residential mortgages at more favourable rates.

Outlook. As a result of its conservative investment policy, the Fund continues to be awarded an AA (High) rating, a measure of excellent security, by the Canadian Bond Rating Service, an independent service specializing in assessing risk on behalf of investors. Interest rates are expected to peak later in 1995. Then the Fund's unit value should stabilize and increasing yields should become more evident.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
(1.62) %	5.04 %	7.72 %	8.83 %
Inflation**			
0.23 %	1.35 %	2.56 %	3.46 %

Financial Highlights*

Total net assets	\$ 2,991,174,881
Number of Unitholders	154,672
Asset value per unit:	
High	\$ 5.28
Low	\$ 4.78
Close	\$ 4.81
Income distributed per unit:	
	\$ 0.32

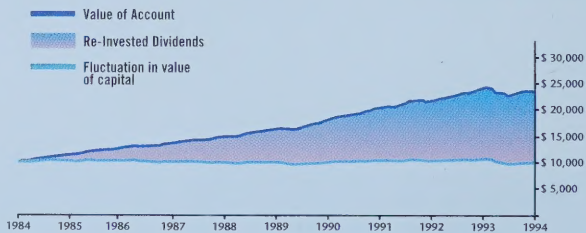
* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown. These illustrations are intended to show the historical growth pattern of the fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1994.

\$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return		
		Capital	Income	Total
1984	\$ 10,000	—	—	—
1985	11,311	1.8 %	11.3 %	13.1 %
1986	12,455	(0.2) %	10.3 %	10.1 %
1987	13,374	(2.3) %	9.7 %	7.4 %
1988	14,482	(1.5) %	9.8 %	8.3 %
1989	16,075	0.9 %	10.1 %	11.0 %
1990	17,748	0.1 %	10.3 %	10.4 %
1991	20,117	4.0 %	9.4 %	13.4 %
1992	21,440	(1.1) %	7.7 %	6.6 %
1993	23,700	3.5 %	7.0 %	10.5 %
1994	23,317	(7.8) %	6.2 %	(1.6) %

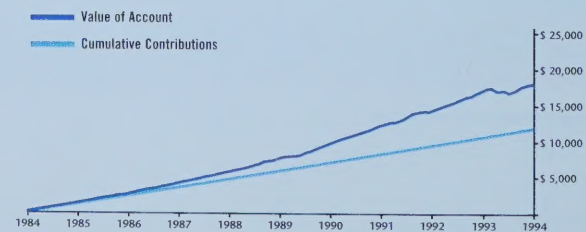
The accompanying graph and chart show the growth of Investors Mortgage Fund over the past ten years. They both illustrate how an initial investment of \$10,000 in 1984 is now valued at over \$23,000.



\$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1985	\$ 1,200	\$ 71	\$ 5.07	\$ 1,283
1986	2,400	272	5.06	2,679
1987	3,600	595	4.94	4,123
1988	4,800	1,065	4.88	5,713
1989	6,000	1,715	4.92	7,617
1990	7,200	2,575	4.91	9,709
1991	8,400	3,546	5.10	12,296
1992	9,600	4,547	5.05	14,343
1993	10,800	5,606	5.22	17,132
1994	12,000	6,741	4.81	18,054

The accompanying graph and chart illustrate how \$100 per month invested for 10 years would be worth over \$18,000 in Investors Mortgage Fund today.



Investors Mortgage Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Principal Value	Amortized Cost	Market Value
First Mortgages on Improved Real Estate (Schedules)	\$ 2,485,139,515	\$ 2,485,652	\$ 2,389,657
BONDS	Par Value	Average Cost	Market Value
FEDERAL GOVERNMENT			
Government of Canada			
09-01-98 (Coupons only) (Yield 12.75%)	63,750	49	46
PROVINCIAL			
Province of Manitoba			
10.10% 11-27-95			
Euro-Cdn Private Placement	5,000,000	5,300	5,057
Province of Manitoba			
11.00% 08-15-00	4,200,000	4,856	4,507
Province of New Brunswick			
8.75% 06-16-97	10,450,000	11,472	10,387
10.50% 11-23-98 Euro-Cdn	3,000,000	3,348	3,075
Province of Ontario			
10.00% 09-30-96 Euro-Cdn	8,000,000	8,386	8,100
10.625% 07-15-98 Euro-Cdn	2,500,000	2,631	2,581
10.20% 08-27-98	6,500,000	7,474	6,692
Province of Saskatchewan			
8.125% 02-04-97	1,500,000	1,514	1,471
10.125% 07-03-98	17,725,000	18,754	18,150
8.75% 06-01-01	3,225,000	3,383	3,099
		67,118	63,119
GUARANTEED			
Ontario Hydro			
10.25% 07-12-98	3,000,000	3,347	3,091
10.875% 03-29-99 Euro-Cdn	14,300,000	15,769	14,926
10.00% 03-19-01	16,420,000	17,230	16,814
Ontario Hydro Global			
8.625% 02-06-02	6,600,000	6,834	6,290
9.00% 06-24-02	11,375,000	12,952	11,045
Hydro-Quebec			
08-15-95 (Coupons only) (Yield 10.70%)	1,375,000	1,289	1,308
08-15-96 (Coupons only) (Yield 10.83%)	1,375,000	1,159	1,192
09-16-96 (Coupons only) (Yield 10.83%)	717,500	599	617
		59,179	55,283
MUNICIPAL			
The Municipality of Metropolitan			
Toronto 7.25% 07-29-98 Ser. Debs.	5,300,000	5,289	4,982
City of Winnipeg 9.75% 08-01-96	1,700,000	1,773	1,720
City of Winnipeg 9.75% 02-01-98			
S.F. Debs. Series UO	2,472,000	2,617	2,497
		9,679	9,199
		135,976	127,601
OTHER BONDS			
CORPORATE - NON CONVERTIBLE			
Ace II Trust 5.30% 09-01-98			
Amortizing ABN's Series 1994-1	16,000,000	16,000	15,189
Ace III Trust 8.55% 06-01-99			
Amortizing ABN's Series 1994-1	8,000,000	8,000	7,852
Bank of Montreal 8.50% 06-10-02	5,550,000	5,550	5,447
The Bank Of Nova Scotia			
6.95% 08-13-98 GIC	2,775,000	2,750	2,563
Bell Canada			
8.00% 03-10-98 Euro-Cdn	10,000,000	10,127	9,600
7.875% 04-23-98 Euro-Cdn	1,350,000	1,341	1,288
9.20% 06-01-99	600,000	613	595
10.625% 07-15-99 Debs., Series DY Euro-Cdn	5,025,000	5,286	5,182
BCE Inc. 9.00% 08-28-97			
Series 7 Notes	7,500,000	7,808	7,466
Canadian Auto Receivables 7.79%			
05-01-97 Securitization 1993-1			
Class A Ownership Certificates, Series 8 Private Placement	2,800,000	2,800	2,716
Canadian Utilities Limited			
11.25% 09-15-98	2,500,000	2,828	2,636
Conventional Mortgage Conduit Inc.			
6.55% 10-01-98			
Slow Pay 93 - 1 MBS	15,000,000	15,116	13,910
The Consumers' Gas Company Ltd.			
7.25% 06-03-96 Medium Term Notes	3,350,000	3,345	3,273
6.50% 10-15-97 Medium Term Notes	2,250,000	2,238	2,102
7.40% 03-16-98 Medium Term Notes	6,100,000	6,113	5,768
Ford Credit Canada Ltd.			
11.00% 08-21-96 Euro-Cdn	6,000,000	6,461	6,128
10.60% 10-01-96	5,000,000	5,302	5,098
10.65% 10-01-96 Medium Term Notes	4,900,000	5,317	5,010
10.10% 10-01-96 Medium Term Notes	2,900,000	3,110	2,940

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
OTHER BONDS (continued)			
CORPORATE - NON CONVERTIBLE (continued)			
General Motors Acceptance Corporation of Canada, Limited			
7.875% 04-12-96 Medium Term Notes	\$ 4,500,000	\$ 4,500	\$ 4,427
7.85% 04-29-96	3,400,000	3,396	3,341
6.80% 08-27-96 Medium Term Notes	3,400,000	3,379	3,268
6.50% 11-01-96 Medium Term Notes	5,000,000	5,000	4,762
7.30% 10-19-98 Medium Term Notes	2,750,000	2,750	2,540
6.50% 01-18-99 Medium Term Notes	2,000,000	2,011	1,782
6.30% 01-19-99 Medium Term Notes	2,000,000	1,998	1,770
8.35% 04-28-99	10,000,000	10,000	9,500
MBS Acquisition Corporation, 7.55% 10-01-97 Slow Pay Certificates, Series 1993-1 Private Placement	40,000,000	39,782	38,280
Maritime Telegraph and Telephone Company, Limited			
9.90% 05-01-97	2,775,000	2,831	2,807
Mobil Oil Canada Limited			
9.00% 05-02-97 Euro-Cdn	7,500,000	7,725	7,425
The New Brunswick Telephone Company, Limited 9.70% 06-15-97	1,400,000	1,513	1,411
Nova Corporation of Alberta			
10.00% 05-20-96 Euro-Cdn	2,775,000	2,999	2,789
Petro-Canada 9.375% 06-24-97	2,775,000	2,766	2,769
The Royal Bank Of Canada			
10.90% 01-15-99	5,700,000	6,592	5,962
11.00% 07-01-00 Private Series AIR	4,000,000	4,659	4,232
11.00% 07-01-00 Private Series AJR	10,000,000	11,647	10,580
11.75% 01-31-01	4,500,000	5,505	4,930
Scotia Mortgage Corporation			
7.625% 03-30-98 GIC's	3,725,000	3,725	3,548
Talisman Energy Inc. 9.45% 12-22-99	5,000,000	4,994	4,970
The Toronto Dominion Bank			
8.75% 12-30-01	8,325,000	8,398	8,283
Toronto-Dominion Centre Limited			
10.70% 05-12-98	3,900,000	4,312	4,048
Transalta Utilities Corporation			
8.875% 04-01-97	2,775,000	2,867	2,756
TransCanada PipeLines Limited			
8.65% 10-21-02 Medium Term Notes	2,775,000	2,775	2,605
Union Gas Limited 8.80% 01-20-97 Private Placement	2,775,000	2,779	2,750
Westcoast Energy Inc.			
10.375% 11-01-99	3,350,000	3,747	3,447
		262,755	249,745
MORTGAGE BACKED†			
Global Econs 7.625% 11-01-98			
Series 1994-2 NHA MBS			
Ownership Certificates, Class 3	18,000,000	17,887	17,163
National Housing Authority Mortgage Backed Securities			
8.375% 02-01-95	1,866,298	1,852	1,864
8.625% 03-01-95	1,225,275	1,202	1,225
8.375% 06-01-95	1,967,328	1,915	1,965
6.625% 09-01-95	1,394,201	1,377	1,376
7.125% 11-01-95	3,124,796	3,098	3,079
7.75% 12-01-96	7,571,249	7,487	7,369
8.625% 12-01-96	2,802,873	2,742	2,761
7.875% 01-01-97	4,885,237	4,943	4,770
8.125% 01-01-97	11,958,071	11,792	11,709
7.875% 02-01-97	11,421,293	11,264	11,118
8.25% 03-01-97	11,914,205	11,755	11,659
8.375% 03-01-97	6,447,767	6,413	6,322
9.00% 03-01-97	7,404,909	7,267	7,346
7.125% 05-01-97	6,231,655	6,016	5,968
8.375% 05-01-97	7,697,589	7,506	7,544
8.50% 05-01-97	9,895,528	9,887	9,749
9.00% 06-01-97	7,466,882	7,352	7,386
9.125% 06-01-97	5,914,024	5,825	5,863
7.00% 07-01-97	2,795,129	2,765	2,660
7.125% 07-01-97	16,290,380	15,695	15,555
8.25% 07-01-97	7,814,196	7,664	7,632
8.75% 07-01-97	5,505,054	5,419	5,423
8.50% 08-01-97	2,477,783	2,442	2,428
7.00% 09-01-97	6,409,909	6,329	6,091
7.00% 09-01-97	13,553,426	13,420	12,870
7.75% 12-01-97	22,174,924	21,527	21,318
		202,841	200,213
Total Investments	\$ 3,087,270	\$ 2,967,262	
Net Assets:			
Total investments			\$ 2,967,262
Short term debt instruments			8,455
Cash and other net assets			15,458
			\$ 2,991,175

† Mortgage Backed securities are guaranteed by the Canada Mortgage Housing Corporation. See accompanying notes to financial statements.

Investors Mortgage Fund

Schedule I

Distribution of Mortgages by Interest Rate December 31, 1994

(in thousands)				
Rate	Number of Loans	Principal Value Outstanding	Amortized Cost	Market Value
6.000 to 6.250	189	\$ 17,215	\$ 17,140	\$ 16,647
6.251 to 6.500	212	15,481	15,481	14,940
6.501 to 6.750	3,834	367,613	367,576	333,409
6.751 to 7.000	948	95,802	95,757	91,183
7.001 to 7.250	1,296	116,961	116,889	110,359
7.251 to 7.500	1,471	165,487	165,479	155,977
7.501 to 7.750	737	68,127	68,073	65,017
7.751 to 8.000	1,635	167,223	167,224	158,850
8.001 to 8.250	2,239	232,050	232,040	222,324
8.251 to 8.500	1,574	206,838	207,057	199,444
8.501 to 8.750	1,562	152,646	152,724	148,229
8.751 to 9.000	1,587	161,148	161,124	156,374
9.001 to 9.250	850	105,927	105,926	103,682
9.251 to 9.500	1,836	153,427	153,437	151,257
9.501 to 9.750	1,266	109,192	109,269	108,575
9.751 to 10.000	927	91,982	92,204	91,078
10.001 to 10.250	315	31,210	31,210	31,168
10.251 to 10.500	249	22,481	22,481	22,700
10.501 to 10.750	179	15,813	15,813	16,063
10.751 to 11.000	723	53,884	53,885	54,908
11.001 to 11.250	571	44,473	44,585	45,534
11.251 to 11.500	221	21,634	21,699	22,251
11.501 to 11.750	209	25,475	25,528	25,738
11.751 to 12.000	166	18,465	18,467	18,742
12.001 to 12.250	41	6,888	6,888	7,084
12.251 to 12.500	53	7,124	7,124	7,250
12.501 to 12.750	78	4,936	4,936	5,063
12.751 to 13.000	4	760	758	780
13.001 to 13.250	62	2,930	2,930	3,034
13.251 to 13.500	15	666	666	686
13.501 to 13.750	13	921	921	948
14.001 to 14.250	3	361	361	363
	25,065	\$ 2,485,140	\$ 2,485,652	\$ 2,389,657

The rates used for determining market value of NHA and conventional loans as at December 31, 1994 were:

Term	Residential Rate	Commercial Rate	Social Housing Rate
6 month	7.750	-	-
0 - 12 months	8.000	NHA - 8.750 CONV - 8.750	8.750
13 - 24 months	9.250	NHA - 8.875 CONV - 8.875	8.875
25 - 36 months	9.500	NHA - 9.750 CONV - 9.750	9.640
37 - 48 months	9.750	NHA - 10.000 CONV - 10.000	9.760
49 - 60 months	10.000	NHA - 10.250 CONV - 10.250	9.750
61 - 84 months	10.500	-	-
85 - 120 months	10.750	NHA - 10.750 CONV - 10.750	-

These rates may vary from month-to-month depending upon rates prevailing in the mortgage market.

Note of Explanation: Included in this schedule are lower rate mortgages purchased from other companies at a principal amount that yielded the Fund the market interest rates at the time of purchase. The interest rate premiums and discounts are amortized over the maturity term of the mortgages.

Schedule II

Distribution of Mortgages by Geographic Location December 31, 1994

(in thousands)			
	Number of Loans	Principal Value Outstanding	Market Value
British Columbia	3,295	\$ 464,381	\$ 441,945
Alberta	2,671	230,158	220,679
Saskatchewan	342	25,521	24,875
Manitoba	2,225	193,790	185,623
Ontario	11,727	1,219,248	1,176,605
Quebec	2,329	197,223	191,125
New Brunswick	733	45,531	43,542
Nova Scotia	1,124	70,132	67,656
Newfoundland	537	34,384	33,033
Prince Edward Island	77	4,260	4,081
Yukon/Territories	5	512	493
	25,065	\$ 2,485,140	\$ 2,389,657

Schedule III

Distribution of Mortgages by Type of Construction December 31, 1994

(in thousands)				
	Number of Loans	Principal Value Outstanding	Amortized Cost	Market Value
Single Family dwelling	19,441	\$ 1,587,289	\$ 1,587,032	\$ 1,516,819
Condominiums	3,981	263,530	263,445	254,609
Multi-unit dwelling up to 8 units	1,232	116,841	117,403	115,006
Multi-unit dwelling over 8 units*	207	344,969	344,894	333,291
Industrial	59	29,710	29,710	29,727
Commercial	145	142,801	143,168	140,205
	25,065	\$ 2,485,140	\$ 2,485,652	\$ 2,389,657

*Included in this category are 112 loans insured by CMHC with a principal balance of \$271,944,133 and market value of \$261,860,042.

Schedule IV

Distribution of Mortgages by Year of Maturity December 31, 1994

(in thousands)			
	Number of Loans	Principal Value Outstanding	Market Value
1995	4,912	\$ 407,549	\$ 407,304
1996	2,993	247,003	248,149
1997	6,336	703,962	687,209
1998	4,236	455,747	434,043
1999	6,124	583,006	530,416
2000	49	4,518	4,449
2001	126	11,198	10,942
2002	150	37,325	36,061
2003	62	13,700	12,781
2004	77	21,132	18,303
	25,065	\$ 2,485,140	\$ 2,389,657

Schedule V

Distribution of Mortgages by Type of Insurance December 31, 1994

(in thousands)			
	Number of Loans	Principal Value Outstanding	Market Value
Insured by National Housing Act (Canada)	9,348	\$ 1,149,074	\$ 1,097,896
Insured by a Private Insurer (Conventional)	970	64,956	63,463
Uninsured - Conventional	14,747	1,271,110	1,228,298
	25,065	\$ 2,485,140	\$ 2,389,657

Schedule VI

Mortgages Having 90 Days or More in Arrears December 31, 1994

(in thousands)			
Days in Arrears	Number of Loans	Principal Value Outstanding*	Market Value*
90	34	\$ 4,112	\$ 4,068
120	23	1,766	1,732
150	16	1,634	1,619
180 or more	113	15,107	15,160
	186	\$ 22,619	\$ 22,579
Insured mortgages	75	\$ 7,341	\$ 7,198
Uninsured mortgages	111	15,278	15,381
	186	\$ 22,619	\$ 22,579

*Principal and market values outstanding as noted above do not reflect total reserve for mortgage losses of \$1,780,000.

Investors Government Bond Fund

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
(5.15) %	5.50 %	8.51 %	9.68 %

Inflation**

0.23 %	1.35 %	2.56 %	3.46 %
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Financial Highlights*

Total net assets	\$ 1,375,139,931
Number of Unitholders	55,704

Asset value per unit:

High	\$ 5.03
Low	\$ 4.28
Close	\$ 4.36

Income distributed per unit:	\$ 0.30
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* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown. These illustrations are intended to show the historical growth pattern of the fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1994.

Rising rates, low inflation

Investors Government Bond Fund (formerly Investors Bond Fund) offers investors the opportunity to enjoy a high level of income provided by a portfolio of bonds issued by Canadian federal, provincial, and municipal governments.

Asset mix strategy. Anticipating rising interest rates, the Fund began the year by adopting a slightly defensive position, with an average term to maturity of eight years. By year-end, the average maturity was 10 years. The Fund further protected itself by selling options throughout the year to generate income.

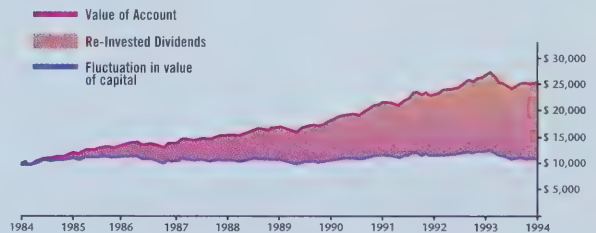
Most of the Fund's corporate issues were transferred to the new Corporate Bond Fund late in the year, leaving a small position of primarily high-credit-quality bank and utility issues. Activity within the Fund's provincial component emphasized higher-yielding issues of the provinces of Saskatchewan and Ontario.

Outlook. As a result of its conservative investment policy, the Fund continues to be awarded an AAA (High) rating, a measure of excellent security, by the Canadian Bond Rating Service, an independent service specializing in assessing risk on behalf of the investor. Recent increases in short-term interest rates have resulted in a narrowing of the difference between long and short-term rates. The Fund has been positioned to take advantage of this flattening of the yield curve. Since further flattening is anticipated, the Fund will continue to adopt strategies consistent with this view.

\$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Capital	Income	Total
1984	\$ 10,000	—	—	—
1985	11,997	9.3 %	10.6 %	19.9 %
1986	13,420	0.9 %	10.9 %	11.8 %
1987	13,780	(5.8) %	8.5 %	2.7 %
1988	15,043	0.1 %	9.1 %	9.2 %
1989	16,743	2.0 %	9.3 %	11.3 %
1990	18,050	(1.3) %	9.1 %	7.8 %
1991	21,445	10.3 %	8.5 %	18.8 %
1992	23,096	(0.8) %	8.5 %	7.7 %
1993	26,552	7.2 %	7.8 %	15.0 %
1994	25,184	(11.3) %	6.1 %	(5.2) %

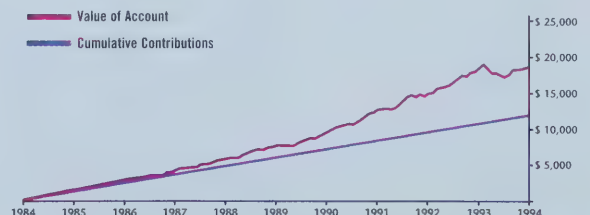
The accompanying graph and chart show the growth of Investors Government Bond Fund over the past ten years. They both illustrate how an initial investment of \$10,000 in 1984 is now valued at over \$25,000.



\$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1985	\$ 1,200	\$ 67	\$ 4.40	\$ 1,343
1986	2,400	293	4.44	2,780
1987	3,600	586	4.19	4,080
1988	4,800	1,018	4.20	5,699
1989	6,000	1,611	4.28	7,612
1990	7,200	2,372	4.21	9,505
1991	8,400	3,242	4.63	12,633
1992	9,600	4,376	4.60	14,859
1993	10,800	5,586	4.92	18,390
1994	12,000	6,794	4.36	18,627

The accompanying graph and chart illustrate how \$100 per month invested for 10 years would be worth over \$18,500 in Investors Government Bond Fund today.



Investors Government Bond Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
FEDERAL GOVERNMENT			
Government of Canada			
6.25% 02-01-98	\$ 100,280,000	\$ 93,802	\$ 93,110
10.25% 12-01-98	37,750,000	43,009	39,203
10.50% 07-01-00	64,407,000	70,697	68,336
10.50% 03-01-01	17,800,000	19,988	18,957
10.00% 05-01-02	50,855,000	54,358	53,220
11.25% 12-15-02	8,250,000	9,302	9,224
7.25% 06-01-03	34,500,000	30,576	30,705
10.25% 02-01-04	19,175,000	22,070	20,460
9.00% 12-01-04	58,261,000	58,162	57,824
10.75% 10-01-09	25,000,000	28,237	28,025
9.00% 03-01-11	30,350,000	31,267	29,849
10.25% 03-15-14	56,200,000	52,896	61,511
11.25% 06-01-15	39,500,000	47,163	46,906
10.50% 03-15-21	37,500,000	38,210	42,300
9.00% 06-01-25	43,089,000	41,872	42,335
		641,609	641,965
PROVINCIAL			
Ontario Hydro			
10.875% 03-29-99 Euro-Cdn	47,775,000	53,296	49,865
Ontario Hydro Global			
9.00% 06-24-02	97,800,000	99,520	94,964
Province of Manitoba			
11.25% 10-17-00	26,925,000	30,850	29,227
Province of New Brunswick			
10.00% 11-23-09	10,000,000	8,770	10,295
Newfoundland and Labrador Hydro			
9.875% 07-15-96	8,300,000	8,207	8,383
10.25% 07-14-17	9,500,000	9,476	9,666
Province of Ontario			
9.50% 07-13-22	13,950,000	13,748	13,671
Province of Ontario Global			
8.00% 03-11-03	13,000,000	12,134	11,830
Province of Prince Edward Island			
10.625% 04-03-06	6,000,000	6,909	6,207
Province of Saskatchewan			
10.75% 06-01-01	14,000,000	16,447	14,700
8.75% 06-01-01	26,600,000	26,249	25,563
9.50% 08-16-04	38,332,000	38,144	37,910
10.00% 01-18-10	14,500,000	14,329	14,754
10.25% 04-10-14	28,364,000	28,222	29,513
		366,301	356,548
MUNICIPAL			
Municipal Finance Authority			
of British Columbia			
11.625% 05-15-00	5,000,000	5,000	5,483
10.125% 10-23-06			
Callable 10-23-03	1,200,000	1,182	1,233
12.00% 06-12-05	1,000,000	1,048	1,107
Regional Municipality of Durham			
12.00% 12-07-00	5,000,000	4,986	5,580
City of Edmonton			
10.25% 03-01-08			
Ret. 10.25% 03-01-98	4,000,000	3,872	4,120
11.25% 12-13-95 Exch. 2010	3,400,000	3,778	3,840
9.625% 02-13-12	10,000,000	9,960	9,860
9.00% 03-25-13	10,000,000	11,400	9,320
The Regional Municipality of Hamilton-Wentworth 10.00% 03-01-98	5,000,000	5,045	5,085
Nova Scotia Municipal Finance Authority 10.00% 07-22-96	2,500,000	2,500	2,530
The Regional Municipality of Ottawa-Carleton			
9.625% 05-15-06 Euro-Cdn	2,500,000	2,299	2,462
10.625% 05-31-09	2,000,000	2,027	2,142
9.875% 04-15-12	5,000,000	4,989	5,073
City of Vancouver 9.375% 06-17-96	4,700,000	4,653	4,714
City of Winnipeg			
9.75% 08-01-96	8,500,000	8,972	8,602
10.25% 02-23-03 Ret. 02-23-98	5,650,000	5,615	5,780
8.875% 02-19-02	12,000,000	11,778	11,538
10.00% 12-14-09	3,500,000	3,764	3,528
8.00% 01-20-14	10,000,000	10,000	8,470
Regional Municipality of York			
11.75% 04-17-00	10,000,000	9,942	10,960
		112,810	111,427

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
CORPORATE - NON CONVERTIBLE			
BC Tel 11.90% 11-22-15 Debts., Series 2	\$ 5,700,000	\$ 5,691	\$ 6,780
Bell Canada			
9.375% 05-06-06 Euro-Cdn	10,000,000	10,365	9,588
Bank of Montreal 10.25% 05-01-02 Private Placement	15,000,000	16,439	15,450
Bank of Montreal			
8.85% 06-01-03	14,000,000	13,279	13,363
10.85% 12-20-08	6,000,000	6,970	6,486
The Bank of Nova Scotia			
10.35% 07-19-01 Debts.	10,350,000	9,429	10,723
The Bank of Nova Scotia			
8.30% 09-27-13	7,000,000	6,965	6,114
The Consumers' Gas Company Ltd.			
7.40% 03-16-98	6,500,000	6,452	6,146
Canadian Imperial Bank of Commerce 9.40% 12-03-01	9,000,000	9,404	9,036
Canadian Utilities Limited			
9.85% 10-01-06	9,480,000	9,270	9,347
Ford Credit Canada Ltd.			
8.38% 06-24-03 Medium Term Notes	20,000,000	20,141	18,350
The New Brunswick Telephone Company, Limited			
10.00% 09-16-06 Series T	3,000,000	2,988	2,942
11.125% 07-19-13	4,000,000	4,000	4,242
Newfoundland Telephone Company			
9.75% 05-06-06	4,000,000	3,668	3,882
Nova Scotia Power Corporation			
9.75% 08-02-19	4,500,000	4,442	4,464
The Royal Bank of Canada			
10.75% 08-15-01	5,000,000	5,000	5,277
11.00% 01-11-02	7,000,000	6,916	7,486
11.00% 07-01-00			
Private Series AIR	10,000,000	11,647	10,580
11.00% 07-01-00			
Private Series AJR	10,000,000	11,647	10,580
Toronto-Dominion Centre Limited			
10.35% 11-22-99	8,800,000	8,755	9,077
		173,468	169,913
		\$ 1,294,188	\$ 1,279,853
Net Assets:			
Total investments			\$ 1,279,853
Short term debt instruments			70,176
Cash and other net assets			25,111
			\$ 1,375,140

Investors Real Property Fund

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
1.35 %	(0.46) %	1.50 %	5.66 %
Inflation**			
0.23 %	1.35 %	2.56 %	3.46 %

Financial Highlights*

Total net assets	\$ 331,950,317
Number of Unitholders	8,943

Asset value per unit:

High	\$ 4.57
Low	\$ 4.43
Close	\$ 4.43

Income distributed per unit:	\$ 0.21
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* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown. These illustrations are intended to show the historical growth pattern of the fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1994.

Real estate values improving

Investors Real Property Fund offers investors steady income and long-term growth potential from a broad mix of real estate holdings.

As Canada's economic recovery picks up speed, the prospects for the real estate sector continue to improve. Corporate profits point to steady expansion in selected areas.

Asset mix. The Fund continues to maintain a broad geographic spread and has developed core holdings in a wide variety of Canadian real estate investments. Thanks to an effective leasing policy, the overall vacancy rate of the Fund's rental property holdings at the end of 1994 decreased to approximately 9% from 12% at the end of 1993.

A reduced cash component and the addition of a residential element have changed the complexion of the Fund somewhat. Increased holdings in office and industrial properties have also served to broaden its investment base. Retail centres remain a modest element as the Canadian market continues to be troubled by the arrival of major U.S. retailers.

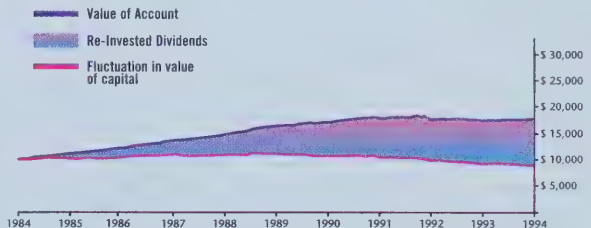
Portfolio activity. Over the course of the year, values continued to drop in Ontario, and the Fund acquired 40 new properties at reduced market values. The acquisitions included two apartment projects with good cash flow and extremely low vacancy rates, and a 50% interest in a portfolio of well-leased suburban office buildings and office/warehouse buildings.

Outlook. The real estate market continues to improve. Restructured companies are reviewing their need for space and selected markets are showing strength. The Fund is actively pursuing several situations that meet its cash flow and growth criteria.

\$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return		
		Capital	Income	Total
1984	\$ 10,000	—	—	—
1985	10,945	1.2 %	8.3 %	9.5 %
1986	11,988	1.9 %	7.6 %	9.5 %
1987	13,468	4.0 %	8.4 %	12.4 %
1988	14,455	(0.4) %	7.7 %	7.3 %
1989	16,091	2.7 %	8.6 %	11.3 %
1990	16,770	(3.9) %	8.1 %	4.2 %
1991	17,580	(1.6) %	6.4 %	4.8 %
1992	17,295	(7.0) %	5.4 %	(1.6) %
1993	17,108	(5.5) %	4.4 %	(1.1) %
1994	17,339	(3.2) %	4.5 %	1.3 %

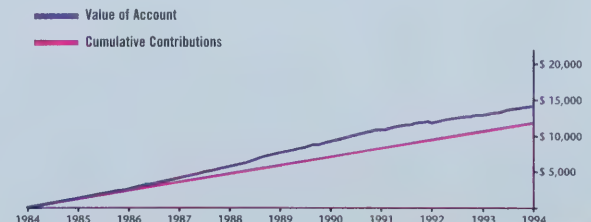
The accompanying graph and chart show the growth of Investors Real Property Fund over the past ten years. They both illustrate how an initial investment of \$10,000 in 1984 is now valued at over \$17,000.



\$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1985	\$ 1,200	\$ 51	\$ 5.05	\$ 1,264
1986	2,400	197	5.14	2,648
1987	3,600	481	5.34	4,259
1988	4,800	862	5.32	5,831
1989	6,000	1,423	5.47	7,763
1990	7,200	2,112	5.26	9,319
1991	8,400	2,749	5.18	10,990
1992	9,600	3,376	4.83	11,984
1993	10,800	3,933	4.57	13,036
1994	12,000	4,568	4.43	14,417

The accompanying graph and chart illustrate how \$100 per month invested for 10 years would be worth over \$14,000 in Investors Real Property Fund today.



Investors Real Property Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Cost	Market Value	
REAL ESTATE INVESTMENTS			
(See Schedule)	\$ 314,348	\$ 287,110	
OTHER INVESTMENTS			
Other Real Property Investments (See Schedule)	7,077	7,413	
BONDS - CONVERTIBLE	Par Value	Average Cost	Market Value
BF Realty Holdings Ltd. 8.00% 06-30-98 Conv. Sub. Deb.	\$ 2,000,000	\$ 2,010	\$ 20

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)			
	No. of Shares	Average Cost	Market Value	
COMMON STOCK				
Real Estate & Construction Bramalea Limited	3,795	\$ 1,500	\$ 5	
Cambridge Shopping Centres Limited	162,100	4,920	1,986	
Carena Developments Limited	167,000	3,975	184	
Trizec Corporation Ltd. Class A Warrants	10,573	43	24	
		10,438	2,199	
Total Investments		\$ 333,873	\$ 296,742	
Net Assets:				
Total Investments			\$ 296,742	
Short term debt instruments			112,285	
Cash and other net assets (liabilities)			(77,077)	
			\$ 331,950	

Schedule of Real Estate Investments

as at December 31, 1994

Address	Type of Property and % of Ownership	Date of Acquisition	(in thousands)			Date of Appraisal & Appraiser	(in thousands)			(in thousands)	
			Cost as at Acquisition	Cost as at Dec 31/94	Value at Date of Appraisal*		Market Value as at Dec 31/94	Net Rentable Area at in Sq. Ft.	% Leased in Sq. Ft. Dec 31/94	Financing at Dec 31/94	Net Income for Period Ended Dec 31/94
			\$	\$	\$		\$			\$	\$
Maples Market Place 1271/1303 Jefferson Winnipeg, Manitoba	Multi-Tenant Retail (100%)	October 04/84	3,317	3,345	3,776	October 04, 1994 Hoffer, Wilkinson & Associates	3,777	51,210	81.2%	N/A	283
1111 Flint Rd. North York, Ontario	Multi-Tenant Industrial/Office (50%)	November 30/84	3,298	3,539	2,000	November 30, 1994 Mackenzie, Ray, Heron & Edwardh	2,001	176,971	83.2%	N/A	103
750 Cambie St. Vancouver, British Columbia	Single Tenant Office (100%)	July 31/85	5,634	7,118	6,625	July 31, 1994 Burgess, Austin & Associates	6,563	70,758	75.7%	215	503
99 Avenue Rd. Toronto, Ontario	Multi-Tenant Office (65%)	January 31/86	5,003	5,922	2,828	January 31, 1994 Mackenzie, Ray, Heron & Edwardh (Note 16)	1,885	84,206	55.0%	N/A	246
Impact Plaza 152 St. & 100 Avenue Surrey, British Columbia	Multi-Tenant Retail (100%)	March 4/86 (50%) Jan. 18/91 (50%)	16,029	16,205	19,770	March 04, 1994 Grover Elliott & Co. Ltd.	19,825	133,933	96.5%	10,707	796
McKenzie Mall 1555-1595 McKenzie Victoria, British Columbia	Multi-Tenant Office (75%)	June 4/86	-	-	-	-	-	-	-	-	90†
61 Raddall Avenue Dartmouth, Nova Scotia	Multi-Tenant Industrial/Office (100%)	December 12/86	2,852	3,121	2,300	December 12, 1994 Turner, Drake & Partners Ltd.	2,300	58,296	96.4%	N/A	189
7973/7979/7981/7991 Enterprise St. Burnaby, British Columbia	Multi-Tenant Industrial/Office (100%)	December 19/86	4,226	4,828	6,250	December 19, 1994 Grover Elliott & Co. Ltd.	6,250	107,177	100.0%	N/A	338
Apache Business Park 1100/1120/1140/1146 Waverley St. Winnipeg, Manitoba	Multi-Tenant Industrial/Office (75%)	March 2/87	4,556	5,075	5,250	March 02, 1994 Hoffer, Wilkinson & Associates Ltd.	5,251	138,595	92.5%	N/A	506
Imperial Square Business Park 3000/3100/3200 Beta Avenue Burnaby, British Columbia	Multi-Tenant Industrial/Office (100%)	May 15/87	11,139	12,004	15,000	May 15, 1994 Grover Elliott & Co. Ltd.	15,004	215,254	99.3%	6,224	670
Tuxedo Park Shopping Centre 2025/2071 Corydon Avenue Winnipeg, Manitoba	Multi-Tenant Retail (100%)	June 30/87	14,740	15,761	16,200	June 30, 1994 Dennis T. Browaty & Associates Ltd.	16,240	131,167	91.4%	N/A	1,165
3501 St. Charles Blvd. Kirkland, Quebec	Multi-Tenant Office (100%)	November 06/87	5,046	5,166	4,100	November 06, 1994 Leonard, Chevalier, Bernard & Associates	4,100	42,898	100.0%	N/A	482
Carling Corner Shopping Centre Albert & 4th Avenue Regina, Saskatchewan	Multi-Tenant Retail (100%)	November 30/87	3,863	3,819	3,860	November 30, 1994 Crown Appraisals	3,860	36,111	100.0%	N/A	419

Investors Real Property Fund

Schedule of Real Estate Investments (continued)

as at December 31, 1994

Address	Type of Property and % of Ownership	Date of Acquisition	(in thousands)			Date of Appraisal & Appraiser	(in thousands)			(in thousands)	
			Cost as at Acquisition	Cost as at Dec 31/94	Value at Date of Appraisal*		Market Value as at Dec 31/94	Net Rentable Area at in Sq. Ft.	% Leased in Sq. Ft. Dec 31/94	Financing at Dec 31/94	Net Income for Period Ended Dec 31/94
			\$	\$	\$		\$			\$	\$
2 County Court Blvd. Brampton, Ontario	Multi-Tenant Office/Retail (100%)	December 16/87	13,558	14,954	8,500	December 16,1994 Mackenzie, Ray, Heron & Edwardh	8,528	87,487	91.4%	N/A	808
Reed Stenhouse Building 2201-11th Avenue Regina, Saskatchewan	Multi-Tenant Office (100%)	May 02/88 (50%) June 01/88 (50%)	7,825	7,979	5,400	May 02,1994 Crown Appraisals	5,402	56,816	76.7%	4,566	(103)
McIntyre Warehouse 8828/8856-48th Avenue Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	May 31/88	2,265	2,386	2,490	May 31,1994 Keith Fraser & Company Ltd.	2,490	83,318	66.0%	N/A	273
Nonwester Building 16304-117th Avenue Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	November 15/88	3,262	3,640	3,360	November 15,1994 Keith Fraser & Company Ltd.	3,360	111,727	100.0%	N/A	334
Airport Business Centre 2103 & 2121 Airport Drive Saskatoon, Saskatchewan	Multi-Tenant Office (100%)	March 17/89	3,094	3,325	2,365	March 17,1994 Brunsdon, Martin & Associates Ltd.	2,365	49,801	81.8%	N/A	241
679-701 Meloche Avenue & 11450 Cote de Liesse Road 741-749 & 703-729 Meloche Dorval, Quebec	Multi-Tenant Industrial/Office (75%)	April 17/89	4,566	4,797	2,824	April 17,1994 Leonard, Chevalier, Bernard & Associates	2,829	102,188	95.7%	908	176
1520-1660 55th Avenue & 1730-1850 55th Avenue & 5435 Francoise Cusson Street Lachine, Quebec	Multi-Tenant Industrial/Office (50%)	April 20/89	4,504	4,812	2,800	April 20,1994 Leonard, Chevalier, Bernard & Associates	2,900	158,055	83.7%	N/A	217
Emhart Canada Building 1500 de Boucherville Street Montreal, Quebec	Single Tenant Industrial/Office (75%)	April 21/89	7,077	7,077	4,725	April 21,1994 Leonard, Chevalier, Bernard & Associates	4,725	176,401	100.0%	N/A	746
Barlow Centre 8080 36 Street S.E. 8081 40 Street S.E. 3838-4040 80 Avenue S.E. 3915 & 4055 78 Street S.E. Calgary, Alberta	Multi-Tenant Industrial/Office (100%)	May 01/89	9,171	11,022	13,800	May 01,1994 Bryce Kipp Nelson Limited	13,896	362,163	97.7%	N/A	1,217
106 Colonnade Road Nepean, Ontario	Multi-Tenant Office (100%)	December 14/89	6,139	6,207	2,400	December 14,1994 Juteau, Johnson, Comba Inc.	2,378	38,360	61.1%	N/A	163
Airport Place 2345 Avenue C North Saskatoon, Saskatchewan	Multi-Tenant Office (100%)	December 21/89	2,914	2,877	1,240	December 21,1994 Brunsdon, Martin & Associates Ltd.	1,230	46,222	50.1%	N/A	79
Fiberglas Canada Building 2499 Watt Street Ste. Foy, Quebec	Single Tenant Industrial/Office (100%)	June 29/90	2,330	2,335	2,250	June 29,1994 Leonard, Chevalier, Bernard & Associates Ltd.	2,250	50,000	100.0%	N/A	227
1875 55th Avenue & 22 - 60 Lindsay Dorval, Quebec	Multi-Tenant Industrial/Office (50%)	June 29/90	2,513	2,620	1,375	June 29,1994 Leonard, Chevalier, Bernard & Associates Ltd.	1,478	81,878	87.5%	N/A	91
Karhu Building 1200 55th Avenue Lachine, Quebec	Single Tenant Industrial/Office (50%)	June 29/90	1,882	1,882	1,790	June 29,1994 Leonard, Chevalier, Bernard & Associates Ltd.	1,790	68,461	100.0%	N/A	200
2616 18th Street N.E. Calgary, Alberta	Single Tenant Industrial/Office (100%)	July 31/90	2,013	2,013	2,555	July 31,1994 Bryce Kipp Nelson Limited	2,555	47,210	100.0%	N/A	281
Fiberglas Canada Building 310 Humberline Drive Etobicoke, Ontario	Single Tenant Industrial/Office (100%)	September 6/90	6,168	6,168	4,800	September 06,1994 Mackenzie, Ray, Heron & Edwardh	4,800	116,910	100.0%	N/A	585
Cognos Building 3755 Riverside Drive Ottawa, Ontario	Single Tenant Office (50%)	December 31/90	6,152	6,182	6,400	December 31,1994 Juteau, Johnson, Comba Inc.	6,400	82,065	100.0%	N/A	682
117th Avenue Business Centre Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	June 17/91	1,214	1,298	1,500	June 17,1994 Keith Fraser & Company Ltd.	1,533	58,162	72.9%	N/A	8
815 West Hastings Vancouver, British Columbia	Multi-Tenant Office (100%)	September 16/91	17,080	18,034	11,700	September 16,1994 Burgess, Austin & Associates	11,736	107,298	66.4%	N/A	503
1595 - 16th Avenue Richmond Hill, Ontario	Multi-Tenant Office (50%)	October 8/91	9,576	9,665	8,250	October 11,1994 Mackenzie, Ray, Heron & Edwardh	8,337	118,626	95.0%	N/A	893

† This Property was sold in 1994, therefore, net income is for the period up to the date of sale only.

* Appraisals on properties acquired are conducted on the anniversary date or at any time at the direction of the Fund Trustee

Investors Real Property Fund

Schedule of Real Estate Investments (continued)

as at December 31, 1994			(in thousands)			Date of Appraisal & Appraiser	(in thousands)			(in thousands)	
Address	Type of Property and % of Ownership	Date of Acquisition	Cost as at Acquisition	Cost as at Dec 31/94	Value at Date of Appraisal*		Market Value as at Dec 31/94	Net Rentable Area at in Sq. Ft.	% Leased in Sq. Ft. Dec 31/94	Financing at Dec 31/94	Net Income for Period Ended Dec 31/94
			\$	\$	\$		\$			\$	\$
2 Hanover Road Brampton, Ontario	Multi-Unit Residential (50%)	August 11/94	8,387	8,387			8,387	313,000	98.6%	6,283	84
4 Hanover Road Brampton, Ontario	Multi-Unit Residential (50%)	August 11/94	10,246	10,246			10,246	365,000	99.7%	7,645	84
6205A Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,241	1,241			1,241	36,613	65.2%	N/A	54
6205B Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,600	1,600			1,600	59,875	94.9%	N/A	49
6299 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	2,835	2,835	2,875	October 31, 1994- Leonard, McCourtbre & Assoc.	2,873	86,555	84.1%	1,233	91
6303 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	2,960	3,012	2,800	October 31, 1994 Leonard, McCourtbre & Assoc.	2,849	76,598	91.2%	1,605	19
6715 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	3,870	3,870			3,870	109,547	75.1%	429	49
6725 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	5,072	5,072			5,072	122,011	60.9%	N/A	104
Britannia Place Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	7,256	7,256			7,256	139,090	100.0%	5,140	45
Heartland Corporate Centre Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	14,115	14,140			14,140	242,947	91.8%	5,161	290
90 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	3,897	3,897			3,897	91,082	96.3%	N/A	123
110 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	5,790	5,790			5,790	92,465	100.0%	N/A	179
115 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,404	1,404			1,404	36,623	76.3%	N/A	43
135 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,664	1,664			1,664	36,623	89.2%	N/A	53
155 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,273	1,273			1,273	36,501	61.2%	N/A	32
3030 Orlando Drive Mississauga, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	314	314			314	14,925	100.0%	N/A	8
6509 Airport Road Mississauga, Ontario	Single Tenant Office (50%)	October 1/94	1,615	1,615			1,615	60,000	100.0%	1,219	(5)
6655 Airport Road Mississauga, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,480	1,480			1,480	66,425	57.6%	334	42
6695 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	652	652			652	28,944	0.0%	351	(3)
6585 Airport Road & 3035 Orlando Drive Mississauga, Ontario	Multi-Tenant Commercial (50%)	October 1/94	1,263	1,263			1,263	21,868	100.0%	491	26
5201 Explorer Drive Mississauga, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,212	2,212			2,212	60,155	100.0%	1,119	20
71 Maybrook Drive Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,468	2,468			2,468	127,607	100.0%	N/A	64
81 Maybrook Drive Scarborough, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,377	1,377			1,377	72,784	100.0%	1,000	13
875 Middlefield Road Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	3,037	3,037			3,037	126,590	100.0%	1,726	26
335 Passmore Avenue Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,282	1,282			1,282	63,263	100.0%	911	21

Investors Real Property Fund

Schedule of Real Estate Investments (continued)

as at December 31, 1994

Address	Type of Property and % of Ownership	Date of Acquisition	(in thousands)			Date of Appraisal & Appraiser	(in thousands)			(in thousands)	
			Cost as at Acquisition	Cost as at Dec 31/94	Value at Date of Appraisal*		Market Value as at Dec 31/94	Net Rentable Area at in Sq. Ft.	% Leased in Dec 31/94	Financing at Dec 31/94	Net Income for Period Ended Dec 31/94
			\$	\$	\$		\$			\$	\$
345 Passmore Avenue Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,846	1,846			1,846	93,441	100.0%	669	32
230 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,770	1,770			1,770	118,185	100.0%	672	27
590 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,036	1,036			1,036	74,681	100.0%	634	6
650 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	758	758			758	39,715	100.0%	554	13
250 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,201	2,201			2,201	138,049	100.0%	1,028	42
400 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,290	1,290			1,290	83,856	100.0%	944	16
500 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,117	1,117			1,117	110,812	100.0%	N/A	21
700 - 710 Ormont Drive North York, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,720	1,720	1,688	October 31, 1994 Fish, Marks & Associates	1,686	115,205	100.0%	N/A	46
1235 Ormont Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,187	1,187	1,225	October 31, 1994 Leonard, McCoubrey & Assoc.	1,224	67,768	100.0%	845	1
1295 Ormont Drive North York, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,626	1,626	1,725	October 31, 1994 Fish, Marks & Associates	1,724	116,185	100.0%	1,192	19
1700 & 1880 Ormont Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	857	857	900	November 30, 1994 Fish, Marks & Associates	899	74,748	100.0%	633	(9)
55 East Beaver Creek Road Richmond Hill, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	3,067	3,067			3,067	141,794	100.0%	2,033	36
60 Leek Crescent Richmond Hill, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	2,658	2,658			2,658	134,814	100.0%	1,963	46
1461 Castlefield Avenue Toronto, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	652	652	535	November 30, 1994 Fish, Marks & Associates	534	30,688	100.0%	N/A	14
			\$ 314,348				\$ 287,110			\$ 68,434	\$ 15,232

Schedule of Other Real Property Investments

as at December 31, 1994

Project Description	Type of Property and % of Ownership	Date of Acquisition	(in thousands)			Effective Date of Appraisal	Appraiser	Market Value as at Dec 31/94
			Cost as at Acquisition	Cost as at Dec 31/94	Value at Date of Appraisal			
			\$	\$	\$			\$
Canada Way Business Park 4878 Manor Street Burnaby, British Columbia								
Pre-Development Cost Land (Note 15)	Land Lease 75%	October 09/90	0 4,300	885 4,300	0 5,700	October 09/94	Burgess Austin & Associates	0 5,700
Cognos Land 3755 Riverside Drive Ottawa, Ontario	Land 50%	December 31/90	875	875	938	December 31/94	Juteau, Johnson, Comba Inc.	938
1555 16th Avenue Richmond Hill, Ontario	Land 50%	October 08/91	1,000	1,017	775	October 11/94	Mackenzie, Ray, Heron & Edwardh	775
				\$ 7,077				\$ 7,413

*Appraisals on properties acquired are conducted on the anniversary date or at any time at the direction of the Fund Trustee.

Investors Global Bond Fund

Continuing global growth

Introduced in September 1992, Investors Global Bond Fund offers investors an opportunity to profit from investing in high-quality government and corporate bonds issued by developed countries around the world.

During 1994, rising U.S. interest rates and an improving global economy combined with fears of higher inflation unsettled bond markets around the world. Despite low inflation, bond yields rose across all markets. This had a negative impact on the Fund's holdings. However, the Canadian dollar's continued weakness allowed the Fund to realize currency gains in many markets.

Diversified strategy. The Fund continues to pursue a broadly diversified investment strategy. As it became clear in 1994 that bond yields were set to rise, the Fund adopted a defensive strategy. By raising cash and selling a significant portion of its longer-term holdings, it was able to reduce interest rate risk in the portfolio significantly.

Over the course of the year, the Fund emphasized stable core markets such as Japan, Germany, and the United States and reduced its positions in Belgium, Denmark, the United Kingdom, and Australia. It continues to emphasize investments in countries with stable currencies and low inflation prospects. These include Japanese bonds, select European bonds and, on any rally in the U.S. dollar, several U.S. bonds.

Outlook. Interest rate fears have plagued the markets all year and short-term rates are again set to rise in most markets. Looking ahead, global bond markets have begun to discount higher growth, interest rates, and inflation. For the moment though, the Fund will maintain its defensive stance while investing in longer-term bonds on any individual market weakness.

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment. For example, for every \$100 in Investors Global Bond Fund . . .

PORTFOLIO MIX BY COUNTRY as at December 31, 1994

PORTFOLIO MIX BY COUNTRY	VALUE OF INVESTMENT
UNITED STATES	\$ 24.78
GERMANY	\$ 12.97
FRANCE	\$ 11.43
JAPAN	\$ 9.55
AUSTRIA	\$ 6.91
UNITED KINGDOM	\$ 6.43
ITALY	\$ 6.09
SPAIN	\$ 6.00
DENMARK	\$ 4.36
CANADA	\$ 2.48
AUSTRALIA	\$ 2.24
FINLAND	\$ 2.00
NETHERLANDS	\$ 1.84
RESERVES	\$ 2.92
TOTAL	\$ 100.00

Performance Highlights*

1 yr

1.05 %

Inflation**

0.23 %

Financial Highlights*

Total net assets	\$ 256,792,684
Number of Unitholders	10,870
Asset value per unit:	
High	\$ 5.48
Low	\$ 5.02
Close	\$ 5.18
Income distributed per unit:	\$ 0.24

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which would have had the effect of decreasing its performance had these changes been in effect during the period shown.

** As measured by the Consumer Price Index, December 31, 1994.

A complete portfolio listing begins on the following page.

Investors Global Bond Fund

Statement of Investments

as at December 31, 1994

		(in thousands)	
	Par Value*	Average Cost	Market Value
Australia			
Australia Government Bond 12.50% 03-15-97	\$ 1,600,000	\$ 1,714	\$ 1,820
Australia Government Bond 10.00% 10-15-02	3,635,000	3,575	3,936
		<u>5,289</u>	<u>5,756</u>
Austria			
Republic of Austria 5.00% 01-22-01	250,000,000	3,528	3,626
Republic of Austria 4.75% 12-20-04	1,000,000,000	13,871	14,125
		<u>17,399</u>	<u>17,751</u>
Canada			
Government of Canada 7.25% 06-01-03	7,150,000	7,226	6,364
Denmark			
Denmark Government Bond 9.00% 11-15-98	11,960,000	2,760	2,783
Denmark Government Bond 6.00% 12-10-99	19,500,000	3,989	4,020
Denmark Government Bond 9.00% 11-15-00	19,000,000	4,294	4,394
		<u>11,043</u>	<u>11,197</u>
Finland			
Republic of Finland 5.25% 04-16-98	350,000,000	5,015	5,134
France			
France Treasury Bill 8.50% 03-12-97	15,000,000	3,976	4,006
France Government Bond 9.50% 01-25-01	20,000,000	5,540	5,583
France Government Bond 8.50% 04-25-03	5,000,000	1,316	1,333
Caisse Nat D'Aut 6.25% 10-20-05	8,000,000	1,829	1,777
Credit Foncier 4.75% 08-09-02	570,000,000	7,870	8,039
France Government Bond 4.75% 04-12-99	10,000,000	2,245	2,328
France Government Bond 5.50% 04-25-04	29,000,000	6,341	6,275
		<u>29,117</u>	<u>29,341</u>
Germany			
German Government Bond 6.375% 05-20-97	5,000,000	4,419	4,486
Bundelobl 6.625% 01-20-98	11,000,000	9,604	9,834
German Government Bond 8.50% 08-21-00	5,000,000	4,608	4,732
Treuhandanstalt 7.375% 12-02-02	5,000,000	4,354	4,452
German Government Bond 7.50% 11-11-04	6,000,000	5,327	5,391
German Government Bond 8.00% 07-22-02	4,800,000	4,215	4,424
		<u>32,527</u>	<u>33,319</u>
Italy			
Republic of Italy 8.50% 08-01-97	6,250,000,000	5,042	5,014
Republic of Italy 10.00% 08-01-98	4,000,000,000	3,368	3,287
Republic of Italy 8.50% 01-01-99	2,000,000,000	1,551	1,549
Republic of Italy 10.00% 08-01-03	7,500,000,000	6,519	5,777
		<u>16,480</u>	<u>15,627</u>

Statement of Investments (continued)

as at December 31, 1994

		(in thousands)	
	Par Value*	Average Cost	Market Value
Japan			
Asian Development Bank 5.00% 02-05-03	\$ 575,000,000	\$ 6,756	\$ 8,284
Japan Development Bank 5.00% 10-01-99	637,000,000	9,073	9,325
Baden-Wurt Finance 3.75% 06-21-99	500,000,000	6,615	6,921
		<u>22,444</u>	<u>24,530</u>
Netherlands			
Netherlands Government Bond 8.50% 03-15-01	5,600,000	4,612	4,720
Spain			
Spanish Government Bond 8.30% 12-15-98	400,000,000	3,837	3,829
Spanish Government Bond 12.25% 03-25-00	135,000,000	1,493	1,462
Spanish Government Bond 4.625% 07-22-04	720,000,000	9,773	10,119
		<u>15,103</u>	<u>15,410</u>
United Kingdom			
United Kingdom Treasury Bond 6.75% 11-26-04	2,525,000	4,919	4,836
United Kingdom Treasury Bond 9.00% 03-03-00	3,840,000	8,461	8,541
United Kingdom Treasury Bond 8.50% 07-16-07	1,450,000	3,167	3,140
		<u>16,547</u>	<u>16,517</u>
United States			
United States Treasury Bond 9.00% 05-15-98	5,000,000	7,094	7,249
United States Treasury Bond 7.50% 10-31-99	5,000,000	6,734	6,915
United States Treasury Bond 8.50% 02-15-00	10,000,000	14,032	14,415
United States Treasury Bond 6.25% 08-31-06	5,000,000	6,867	6,868
United States Treasury Bond 7.875% 08-15-01	5,000,000	7,001	7,027
United States Treasury Bond 5.75% 08-15-03	3,275,000	4,305	3,993
United States Treasury Bond 5.875% 02-15-04	5,500,000	7,165	6,731
Electric Power Development 8.125% 12-09-99	6,500,000	8,867	9,106
Wal-Mart Stores 6.875% 06-30-99	1,000,000	1,369	1,331
		<u>63,434</u>	<u>63,635</u>
	\$	<u>246,236</u>	\$ <u>249,301</u>
Net Assets:			
Total investments			\$ 249,301
Short term debt instruments			9,651
Cash and other net assets (liabilities)			(2,159)
			<u>\$ 256,793</u>

* See Note 12 to the financial statements.
See accompanying notes to financial statements.

Investors Retirement Mutual Fund

A conservative approach

Investors Retirement Mutual Fund offers investors the opportunity to participate in the growth of select Canadian companies.

The Fund continues to pursue a broadly diversified, conservative investment strategy with the bulk of its assets in Canada. While the overall complexion of the Fund remained constant throughout the year, holdings in consumer goods were decreased in favour of resource and cyclical stocks.

Cyclical stocks. The Fund has increased its holdings in economically sensitive areas such as metal producers, chemical manufacturers, and pulp and paper firms. These sectors are likely to benefit from the growing world demand for Canadian commodities. The Fund continues to emphasize companies that will participate in the worldwide economic recovery.

Banking sector. Shares of Canadian banks play a core role in the Fund by providing balance and income stability. Despite slowing consumer borrowing, the prospects for the banks are quite positive. Credit quality is improving as the level of troubled loans on their books continues to decline. Low inflation and an improving fiscal outlook should have a positive impact on bank profits. In fact, most banks have already raised their quarterly dividend payments.

Concerns over higher interest rates plagued the markets throughout 1994, and they have yet to disappear. But looking ahead, North America is continuing on a path of steady growth that should move the equity market and the Fund ahead in 1995.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
1.66 %	8.11 %	4.35 %	8.92 %
Inflation**			
0.23 %	1.35 %	2.56 %	3.46 %

Financial Highlights*

Total net assets	\$ 1,677,735,404
Number of Unitholders	132,761

Asset value per unit:	
High	\$ 12.93
Low	\$ 11.50
Close	\$ 12.10

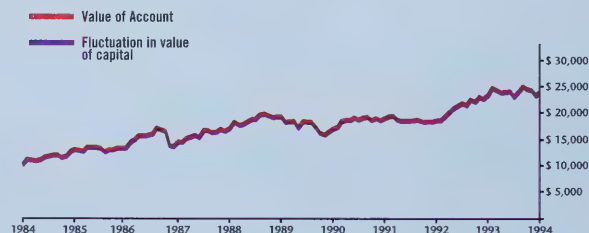
* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown. These illustrations are intended to show the historical growth pattern of the fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1994.

\$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return		
		Capital	Income	Total
1984	\$ 10,000	—	—	—
1985	12,795	28.0 %	0.0 %	28.0 %
1986	13,083	2.2 %	0.0 %	2.2 %
1987	14,247	8.9 %	0.0 %	8.9 %
1988	16,761	17.6 %	0.0 %	17.6 %
1989	18,996	13.3 %	0.0 %	13.3 %
1990	16,656	(12.3) %	0.0 %	(12.3) %
1991	18,600	11.7 %	0.0 %	11.7 %
1992	18,278	(1.7) %	0.0 %	(1.7) %
1993	23,118	26.5 %	0.0 %	26.5 %
1994	23,501	1.7 %	0.0 %	1.7 %

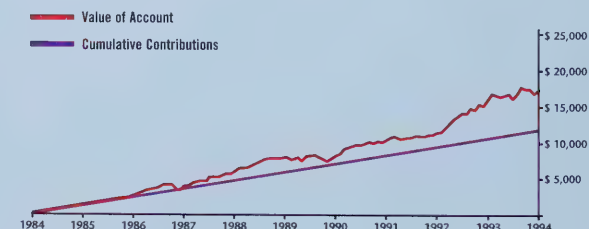
The accompanying graph and chart show the growth of Investors Retirement Mutual Fund over the past ten years. They both illustrate how an initial investment of \$10,000 in 1984 is now valued at over \$23,500.



\$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1985	\$ 1,200	\$ 0	\$ 6.59	\$ 1,372
1986	2,400	0	6.74	2,625
1987	3,600	0	7.34	4,001
1988	4,800	0	8.63	6,002
1989	6,000	0	9.78	8,047
1990	7,200	0	8.58	8,208
1991	8,400	0	9.58	10,393
1992	9,600	0	9.41	11,406
1993	10,800	0	11.90	15,773
1994	12,000	0	12.10	17,224

The accompanying graph and chart illustrate how \$100 per month invested for 10 years would be worth over \$17,000 in Investors Retirement Mutual Fund today.



Investors Retirement Mutual Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
BONDS			
CORPORATE BONDS			
Rainy River Forest Products Inc. 8.00% 10-15-04			
Conv. Unsecured Sub. Debts.	\$ 2,250,000	\$ 2,385	\$ 2,239
Stone-Consolidated Corporation 8.00% 12-31-03			
Conv. Unsecured Sub. Debts.	2,548,000	2,650	3,058
		5,035	5,297
	No. of Shares		
PREFERRED STOCK - EQUITY			
Lafarge Canada Inc. Exch. Pfd. npv	450,000	6,181	11,700
COMMON STOCK			
Communications & Media			
Canwest Global Communications Corp. Sub. Voting	671,750	8,610	22,504
Quebecor Inc. Class B	682,977	7,575	12,123
Rogers Communications Inc. Class B	1,354,800	22,249	25,402
Southam Inc.	815,000	12,339	12,632
The Thomson Corporation	1,462,800	22,472	25,233
Torstar Corporation Class B	1,174,340	31,284	27,157
Videotron Groupe Ltée (Le) Sub. voting	1,184,000	9,667	15,688
WIC Western International Communication Ltd. Class B Non-voting	268,700	3,262	4,098
		117,458	144,837
Conglomerates			
Canadian Pacific Limited	1,867,500	33,857	38,984
Federal Industries Ltd. Class A	582,100	7,100	3,420
		40,957	42,404
Consumer Products			
*Chrysler Corporation	131,000	8,841	9,004
*Mattel, Inc.	356,250	7,375	12,555
*Philip Morris Companies Inc.	106,900	8,625	8,622
The Seagram Company Ltd.	961,100	28,844	40,246
*Universal Corporation Holding Company	529,500	17,166	14,762
		70,851	85,189
Computer			
Delrina Corporation	604,000	15,515	10,645
Storage Technology Corporation	284,400	13,812	11,569
		29,327	22,214
Financial Services			
Bank of Montreal	1,315,400	25,933	34,365
The Bank of Nova Scotia	1,220,000	21,961	32,635
Canadian Imperial Bank of Commerce	1,492,000	37,629	50,541
*Federal Home Loan Mortgage Corporation	201,700	12,629	14,288
National Bank of Canada	2,178,500	22,161	20,696
The Royal Bank of Canada	1,994,000	49,289	56,081
The Toronto-Dominion Bank	2,107,000	37,190	44,774
		206,792	253,380
Gold and Silver			
American Barrick Resources Corporation	72,700	2,108	2,281
Placer Dome Inc.	350,900	9,208	10,659
Prime Resources Group Inc.	722,100	6,663	7,311
TVX Gold Inc.	723,300	6,081	6,871
		24,060	27,122
Industrial Products			
Bombardier Inc. Class B Sub. voting	523,250	6,194	13,016
CGC Inc.	250,000	2,436	2,187
Co-steel Inc. Common Sub. voting	687,100	15,859	19,926
Cominco Fertilizers Ltd.	1,040,000	18,007	33,020
Dofasco Inc.	673,200	10,017	12,707
*E. I. DuPont De Nemours & Company	126,500	9,884	9,981
Ipsco Inc.	784,000	19,711	19,796
*Lafarge Corporation	352,400	4,544	8,774
Methanex Corporation - Second Instalment Receipts	143,800	1,106	2,175
Milltronics Corporation	776,000	10,382	10,524
Nova Corporation of Alberta	3,613,900	31,765	46,981
SNC-Lavalin Group Inc.	192,300	3,711	4,375
Stelco Inc. Series A	1,455,200	11,958	11,642
*Varity Corporation	288,900	12,244	14,690
		157,818	209,794

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	No. of Shares	Average Cost	Market Value
COMMON STOCK (continued)			
Merchandising			
Finning Ltd.	690,000	\$ 5,734	\$ 13,714
Gendis Inc. Class A	542,000	10,873	8,401
The North West Company Inc.	865,500	12,620	9,520
The Oshawa Group Limited Class A Non-Voting	1,482,850	31,194	27,618
United Westburne Inc.	1,776,000	14,972	20,646
*Wal-Mart Stores, Inc.	285,300	9,150	8,504
		84,543	88,403
Metals and Minerals			
Alcan Aluminum Limited	1,210,450	33,700	43,122
*Asarco Inc.	493,295	18,538	19,721
Cameco Corporation	763,400	11,748	23,761
Inco Limited	567,800	20,770	22,783
Noranda Inc.	1,176,400	26,018	31,175
*Phelps Dodge Corporation	69,000	4,041	5,989
Rio Algom Ltd.	875,000	15,075	23,406
		129,890	169,957
Oil and Gas			
Canadian Natural Resources Limited	382,800	6,098	5,263
Crestar Energy Inc.	281,350	4,924	4,080
Dorset Exploration Ltd.	743,500	9,937	5,669
Elan Energy Inc.	79,100	734	613
Home Oil Company Limited	959,300	16,778	14,270
Imperial Oil Limited	279,200	13,827	12,913
Morrison Petroleum Ltd.	1,650,400	16,326	11,553
Norcen Energy Resources Limited	785,000	12,789	13,051
Northrock Resources Ltd.	1,151,700	12,472	10,653
Northstar Energy Corporation	1,960,800	7,621	23,530
Poco Petroleum Ltd.	489,400	3,995	3,670
Renaissance Energy Ltd.	730,000	11,144	19,801
Rigel Energy Corporation	1,238,000	12,071	17,487
Shell Canada Limited Class A	407,000	17,686	17,399
Suncor Inc.	477,300	15,136	15,274
Talisman Energy Inc.	1,197,137	30,300	28,133
Wascana Energy Inc.	1,136,400	12,964	11,364
		204,802	214,723
Paper and Forest Products			
Abitibi-Price Inc.	142,000	2,273	2,751
Abitibi-Price Inc. Instalment Receipts	2,075,000	13,046	19,713
Avenor Inc.	822,500	19,031	22,824
Avenor Inc. Second Instalment Receipts	753,000	11,142	16,190
Canfor Corporation	823,800	11,442	15,240
Domtar Inc.	1,322,600	12,628	12,730
International Forest Products Limited Class A	457,850	7,749	5,952
Macmillan Bloedel Ltd. Second Instalment Receipt	1,382,500	20,012	16,417
Macmillan Bloedel Ltd.	246,000	5,454	4,336
Rainy River Forest Products Inc.	261,200	3,446	3,330
Stone-Consolidated Corporation	379,800	5,880	6,267
		112,103	125,750
Pipelines			
TransCanada Pipelines Limited	1,957,100	35,770	33,515
Westcoast Energy Inc.	165,350	3,537	3,679
		39,307	37,194
Transportation & Environmental Services			
Air Canada	1,225,000	8,048	10,259
Laidlaw Inc. Class B Non-Voting	2,707,900	26,032	30,464
Trimac Limited	1,146,900	6,162	14,766
		40,242	55,489
Utilities			
BCE Inc.	339,500	13,139	15,320
Telus Corporation	745,000	9,190	11,827
		22,329	27,147
		1,280,479	1,503,603
Total Investments		\$ 1,291,695	\$ 1,520,600
Net Assets:			
Total investments			\$ 1,520,600
Short term debt instruments			155,657
Cash and other net assets			1,478
			\$ 1,677,735

* United States investments
See accompanying notes to financial statements.

Investors Canadian Equity Fund

Preparing for global growth

Investors Canadian Equity Fund offers investors an opportunity to participate in the success of growth-oriented Canadian companies.

An erratic market. The Canadian stock market, influenced primarily by steadily rising interest rates, had a negative return in the past year. Commodity prices, however, benefited from strengthening global economies.

Investments in metals, forest products, steel production, and chemicals have led the way. The Fund has been heavily weighted in these areas and has selectively added to its positions throughout the year.

Canadian oil holdings are now showing good value, following a weak period earlier this year. Further growth in this area is anticipated in the coming year.

Global competitiveness. While short-term interest rate pressures continue to hobble the progress of stock markets generally, North American companies are beginning to profit from growth overseas.

The Fund continues to concentrate on the areas most likely to benefit from a period of sustained global growth. Many North American companies have successfully rationalized their operations and developed into globally competitive organizations. The Fund emphasizes commodity producers that develop their goods for industrial clients around the world.

The prospects for 1995 appear promising.

\$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return		
		Capital	Income	Total
1984	\$ 10,000	—	—	—
1985	12,497	23.1 %	1.9 %	25.0 %
1986	14,393	13.1 %	2.1 %	15.2 %
1987	13,806	(6.6) %	2.5 %	(4.1) %
1988	15,236	5.5 %	4.9 %	10.4 %
1989	17,554	11.5 %	3.7 %	15.2 %
1990	16,207	(11.2) %	3.5 %	(7.7) %
1991	18,594	12.1 %	2.6 %	14.7 %
1992	19,745	5.0 %	1.2 %	6.2 %
1993	25,962	31.3 %	0.2 %	31.5 %
1994	26,003	0.1 %	0.1 %	0.2 %

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
0.16 %	11.83 %	8.18 %	10.03 %

Inflation**

0.23 %	1.35 %	2.56 %	3.46 %
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Financial Highlights*

Total net assets	\$ 1,531,166,551
Number of Unitholders	140,239

Asset value per unit:

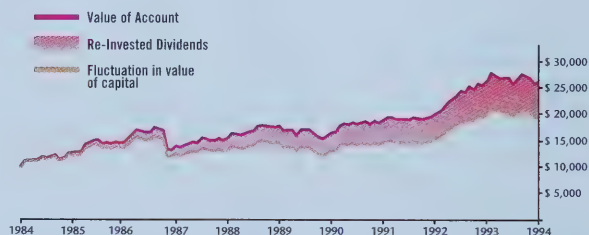
High	\$ 9.79
Low	\$ 8.72
Close	\$ 8.78

Income distributed per unit:	\$ 0.01
Capital gains distributed per unit:	\$ 0.28

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown. These illustrations are intended to show the historical growth pattern of the fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1994.

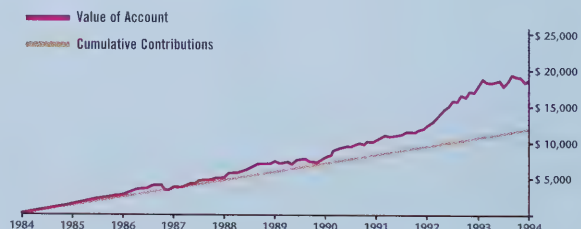
The accompanying graph and chart show the growth of Investors Canadian Equity Fund over the past ten years. They both illustrate how an initial investment of \$10,000 in 1984 is now valued at over \$26,000.



\$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1985	\$ 1,200	\$ 63	\$ 5.43	\$ 1,316
1986	2,400	150	6.07	2,759
1987	3,600	269	5.62	3,699
1988	4,800	492	5.93	5,349
1989	6,000	717	6.61	7,442
1990	7,200	1,007	5.87	8,062
1991	8,400	1,254	6.57	10,514
1992	9,600	1,387	6.90	12,423
1993	10,800	1,414	9.06	17,699
1994	12,000	2,017	8.78	18,908

The accompanying graph and chart illustrate how \$100 per month invested for 10 years would be worth over \$18,500 in Investors Canadian Equity Fund today.



Investors Canadian Equity Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
BONDS			
CORPORATE - CONVERTIBLE			
Rainy River Forest Products Inc. 8.00% 10-15-04			
Conv. Unsecured Sub. Deb. \$ 2,250,000	\$	2,385	\$ 2,239
Stone-Consolidated Corporation 8.00% 12-31-03	1,866,000	1,941	2,239
Conv. Unsecured Sub. Deb.		4,326	4,478
COMMON STOCK	No. of Shares		
Communication and Media			
Canwest Global Communications Corp. Sub. voting	586,500	10,782	19,648
Electrohome Limited Class Y Non-voting	446,300	3,763	4,575
Quebecor Inc. Class A	672,000	5,146	11,928
Rogers Communications Inc. Class B	714,200	11,042	13,391
Southam Inc.	471,400	7,970	7,307
The Thomson Corporation	1,583,300	25,302	27,312
Torstar Corporation Class B	940,100	25,064	21,740
Videotron Groupe Ltée (Le) Sub. voting	940,000	9,914	12,455
WIC Western International Communication Ltd. Class B Non-voting	209,800	2,660	3,199
		101,643	121,555
Computer			
Delrina Corporation	541,800	7,160	9,549
DMR Group Inc. Class A	953,900	5,044	3,768
Sidus Systems Inc.	750,000	12,000	6,469
*Storage Technology Corporation	252,800	12,218	10,284
		36,422	30,070
Conglomerates			
Canadian Pacific Limited	1,673,000	33,895	34,924
Federal Industries Ltd. Class A	556,600	4,394	3,270
Onex Corporation	941,700	10,191	12,477
		48,480	50,671
Consumer Products			
*Chrysler Corporation	119,000	7,937	8,179
*Philip Morris Companies Inc.	103,900	7,756	8,380
The Seagram Company Ltd.	786,500	27,578	32,935
*Universal Corporation Holding Company	354,500	11,512	9,883
		54,783	59,377
Financial Services			
Bank of Montreal	1,210,500	27,282	31,624
The Bank of Nova Scotia	1,160,000	28,226	31,030
Canadian Imperial Bank of Commerce	1,144,000	33,646	38,753
*Federal Home Loan Mortgage Corporation	180,800	11,472	12,807
National Bank of Canada	2,152,000	20,879	20,444
The Royal Bank of Canada	1,784,000	46,343	50,175
The Toronto-Dominion Bank	1,590,000	27,830	33,788
		195,678	218,621
Gold and Silver			
American Barrick Resources Corporation	82,400	2,405	2,585
Great Lakes Minerals Inc.	3,200,000	6,419	6,080
Placer Dome Inc.	365,600	9,597	11,105
Prime Resources Group Inc.	731,600	6,391	7,407
Rayrock Yellowknife Resources Inc.	829,000	14,324	13,782
TVX Gold Inc.	716,200	3,956	6,804
		43,092	47,763
Industrial Products			
Banister Inc.	794,900	12,839	11,526
Bombardier Inc. Class B Sub. voting	463,200	6,735	11,522
Co-steel Inc. Common Sub. voting	456,200	8,025	13,230
Cominco Fertilizers Ltd.	871,400	16,671	27,667
Dofasco Inc.	548,200	6,511	10,347
*E.I. DuPont De Nemours & Company	116,500	9,111	9,192
*General Electric Company	120,000	3,721	8,585
Harris Steel Group Inc. Class A Non-voting	892,000	5,733	9,812
Ipsco Inc.	640,500	16,304	16,173
*Lafarge Corporation	486,700	8,200	12,118
Methanex Corporation			
Second Instalment Receipts	88,300	675	1,336
Nova Corporation of Alberta	2,988,300	28,207	38,848
Pallet Pallet Inc.	2,550,700	8,463	9,310
SNC-Lavalin Group Inc. Class A Sub-Voting	891,500	13,240	20,282
Stelco Inc. Series A	1,186,800	9,726	9,494
*Varity Corporation	190,100	5,074	9,666
		159,235	219,108

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	No. of Shares	Average Cost	Market Value
COMMON STOCK (continued)			
Merchandising			
Acklands Limited	570,500	\$ 7,547	\$ 6,846
Finning Ltd.	400,000	4,386	7,950
Gendis Inc. Class A	484,000	9,699	7,502
The North West Company Inc.	337,500	5,062	3,713
Oshawa Group Limited Class A Non-Voting	1,405,400	29,984	26,175
*Wal-Mart Stores, Inc.	261,900	8,400	7,807
		65,078	59,993
Metals and Minerals			
Alcan Aluminium Limited	1,017,600	29,535	36,252
*Asarco Inc.	479,950	17,841	19,187
Cameco Corporation	648,750	13,305	20,193
Inco Limited	602,100	22,768	24,159
Noranda Inc.	825,100	17,337	21,865
*Phelps Dodge Corporation	62,250	3,643	5,403
Rio Algom Ltd.	875,000	14,219	23,406
		118,648	150,465
Oil and Gas			
Canadian Natural Resources Limited	1,110,300	1,909	15,267
Canadian Occidental Petroleum	746,800	24,140	23,711
Crestar Energy Inc.	272,950	4,767	3,958
Dorset Exploration Ltd.	549,300	4,250	4,188
Elan Energy Inc.	144,800	1,304	1,122
Encal Energy Ltd.	609,500	2,333	1,828
Enserv Corporation	1,133,350	14,828	12,892
Inverness Petroleum Ltd.	996,700	11,255	8,472
Jordan Petroleum Ltd.	134,700	1,150	1,179
Northern Reef Exploration	2,487,800	14,961	6,468
Northstar Energy Corporation	1,311,000	5,135	15,732
Penn West Petroleum Ltd.	1,635,200	11,105	9,607
Poco Petroleum Ltd.	1,714,300	16,560	12,857
Precision Drilling Corporation Class A	655,300	10,874	8,027
Ranger Oil Limited	1,655,000	13,594	13,861
Renaissance Energy Ltd.	637,600	10,951	17,295
Shell Canada Limited Class A	263,000	11,647	11,243
Suncor Inc.	200,000	6,362	6,400
Talisman Energy Inc.	821,476	20,608	19,305
Wascana Energy Inc.	980,700	11,204	9,807
		198,937	203,219
Paper and Forest Products			
Abitibi-Price Inc.	100,000	1,599	1,938
Abitibi-Price Inc. Instalment Receipts	2,064,400	12,980	19,612
Avenor Inc.	426,000	9,643	11,821
Avenor Inc. Second Instalment Receipts	926,000	13,198	19,909
Canfor Corporation	622,064	11,225	11,508
Domtar Inc.	2,175,800	20,647	20,942
International Forest Products			
Limited Class A	313,950	5,276	4,081
Macmillan Bloedel Ltd.	200,000	4,423	3,525
Macmillan Bloedel Ltd. Second Instalment Receipts	962,500	14,347	11,430
Rainy River Forest Products Inc.	258,300	3,409	3,293
Stone-Consolidated Corporation	273,200	4,214	4,508
		100,961	112,567
Pipelines			
Transcanada Pipelines Limited	1,408,150	26,440	24,114
Westcoast Energy Inc.	136,350	2,898	3,034
		29,338	27,148
Transportation & Environmental Services			
Air Canada	1,258,000	10,293	10,536
Laidlaw Inc. Class B Non-Voting	2,422,600	23,420	27,254
Transat A.T. Inc.	377,800	2,007	1,039
Trimac Limited	821,200	6,563	10,573
		42,283	49,402
Utilities			
Atco Ltd. Class I Non-voting	442,300	5,286	6,635
BCE Inc.	248,500	10,467	11,214
Nova Scotia Power Inc.	189,000	1,970	2,102
Telus Corporation	304,700	4,697	4,837
		22,420	24,788
		1,216,998	1,374,747
Total Investments		\$ 1,221,324	\$ 1,379,225
Net Assets:			
Total investments			\$ 1,379,225
Short term debt instruments			157,721
Cash and other net assets (liabilities)			(5,780)
			\$ 1,531,166

* United States investments
See accompanying notes to financial statements.

Investors European Growth Fund

Europe's recovery continues

Investors European Growth Fund offers investors the opportunity to participate in the growth of a select group of European companies.

After starting 1994 strongly, most major European stock markets fell as rising interest rates and bond yields outweighed the positive effect of rising corporate profits. However, their negative performances were eased somewhat for Canadian investors by the weakness of the Canadian dollar.

Asset mix strategy. The Fund maintained cash reserves of approximately 14% throughout the year, which will be used to buy into selected markets as interest rate rises begin to slow.

The portfolio is broadly diversified, with the United Kingdom and France currently favoured. Exposure to Spain and Sweden is also increasing. Political concerns in Italy and an expensive German market have resulted in lower positions in these markets.

The Fund continues to emphasize industrial cyclical stocks - metals, forest products, building materials, chemicals - that will benefit from economic recovery. Banking and pharmaceutical stocks have been added in recent months as prices have grown more attractive.

Outlook. The European community is determined to build a strong common market that will strengthen the region in the long run. Most economies are improving steadily, with investment spending and exports showing solid growth. In addition, streamlined operations are starting to show up in profit increases.

Despite recent interest rate worries, inflation numbers in Germany, France and Switzerland are likely to remain moderate. Overall, Europe's prospects are strong for 1995.

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment. For example, for every \$100 in Investors European Growth Fund...

Performance Highlights*

1 yr	3 yr
5.20 %	9.37 %
Inflation**	
0.23 %	1.35 %

Financial Highlights*

Total net assets	\$ 558,871,257
Number of Unitholders	48,237

Asset value per unit:

High	\$ 7.20
Low	\$ 6.56
Close	\$ 6.86

Capital gains distributed per unit:	\$ 0.095
Income distributed per unit:	\$ 0.002

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown.

** As measured by the Consumer Price Index, December 31, 1994.

PORTFOLIO MIX BY COUNTRY as at December 31, 1994

VALUE OF INVESTMENT

UNITED KINGDOM	\$ 31.42
FRANCE	\$ 12.92
GERMANY	\$ 11.47
NETHERLANDS	\$ 11.05
SWITZERLAND	\$ 5.99
SWEDEN	\$ 3.01
SPAIN	\$ 2.36
ITALY	\$ 1.92
AUSTRIA	\$ 1.49
DENMARK	\$ 1.40
FINLAND	\$ 1.19
IRELAND	\$ 1.02
RESERVES	\$ 14.79
TOTAL	\$ 100.00

A complete portfolio listing begins on the following page.

Investors European Growth Fund

Statement of Investments

as at December 31, 1994

		(in thousands)		
	No. of Shares	Average Cost	Market Value	
COMMON STOCK				
Austrian				
Creditanstalt Bankverein - Preferred	11,450	\$ 990	\$ 948	
Mayr - Meinhof Karton AG	12,000	1,007	988	
Oesterr Elekt (Verbund) AG	36,000	2,948	2,914	
Steyr Daimler Puch AG	51,000	1,387	1,232	
VA Technologie AG	16,000	1,940	2,257	
		8,272	8,339	
Denmark				
Tele Danmark A/S - 'B' Shares	67,000	4,916	4,776	
Unidanmark A/S A Reg	56,000	2,996	3,023	
		7,912	7,799	
Finland				
Outokumpu OY A	200,000	4,149	5,147	
Repola OY	60,000	1,717	1,517	
		5,866	6,664	
France				
Axa	84,000	5,491	5,457	
Compagnie de Saint - Gobain	23,500	3,798	3,789	
Ecco SA	30,000	3,940	4,995	
Essilor International	7,000	1,402	1,351	
Galeries Lafayette SA	5,051	3,127	3,037	
Imetal	18,750	1,989	2,541	
L'Air Liquide	15,000	2,772	2,813	
L'Oreal	9,400	1,937	2,688	
Lafarge Coppee	47,567	3,901	4,747	
Legrand SA	4,000	6,205	6,807	
LVMH Moet Hennessy Louis Vuitton	32,500	6,605	7,195	
Pinault-Printemps SA	7,100	1,712	1,768	
Renault	16,733	755	776	
Sanofi SA	45,000	2,938	2,911	
Seb SA	20,900	2,380	2,991	
Societe Generale	42,000	6,585	6,187	
Societe Television Francaise 1 (T.F. 1)	24,330	3,292	3,094	
Total Compagnie Francaise des Petroles B	58,000	4,184	4,725	
Valeo	62,000	2,923	4,329	
		65,936	72,201	
Germany				
Bayer AG	24,000	6,483	7,887	
Bayerische Motoren Werke AG	10,772	7,356	7,509	
Daimler Benz AG	9,000	6,629	6,209	
Deutsche Bank AG	10,200	6,349	6,649	
Dyckerhoff AG Preferred	6,500	3,109	3,119	
Gea AG Preferred - Old	5,500	2,484	2,450	
Gehe AG	3,300	1,394	1,673	
Hannover Reinsurance A	25,000	1,659	1,618	
Jungheinrich AG - Preferred	6,000	1,988	1,928	
Man AG Ordinary	10,900	4,111	4,184	
Mannesmann AG	14,000	4,058	5,348	
Thyssen AG	23,000	4,703	6,153	
Veba AG	12,500	3,874	6,111	
Wella AG Preferred	3,800	2,390	3,234	
		56,587	64,072	
Ireland				
Bank of Ireland	800,000	4,768	5,201	
Jefferson Smurfit Group PLC	60,000	469	489	
		5,237	5,690	
Italy				
Assicurazioni Generali SpA	90,000	3,005	2,963	
Fiat SpA	500,000	2,563	2,600	
Stet Societa Finanziaria Telefonica SpA	1,250,000	3,965	5,145	
		9,533	10,708	
Netherlands				
Ahold NV	135,000	5,431	5,864	
Akzo Nobel NV	18,500	2,868	2,999	
Cap Volmac Group	120,000	2,185	2,330	
Frans Maas Beheer - CVA	25,145	1,086	1,098	
Getronics NV	41,000	1,903	2,099	
Internationale Nederlanden Groep NV	115,000	6,889	7,628	
KNP BT NV	118,000	3,132	4,715	
Koninklijke PTT Nederland NV	115,000	4,496	5,442	
Philips Electronics NV	125,000	3,971	5,197	
Polygram NV	69,000	3,048	4,504	
Royal Dutch Petroleum Co. NV	54,000	6,866	8,256	
Unilever NV	36,000	5,534	5,911	
Wolters Klumer Groep NV	55,000	5,049	5,712	
		52,458	61,755	

Statement of Investments (continued)

as at December 31, 1994

		(in thousands)		
	No. of Shares	Average Cost	Market Value	
COMMON STOCK (continued)				
Spain				
Acerinox SA - R	15,400	\$ 2,373	\$ 2,257	
Autopistas Del Mare Nostrum SA	15,000	219	198	
Banco Popular Espanol	18,000	3,080	3,003	
Banco Santander SA	45,000	2,466	2,418	
Centros Comerciales Pryca SA	63,000	1,319	1,333	
Dragados & Construcciones SA	113,000	2,198	2,228	
Telefonica de Espana	105,000	1,971	1,741	
		13,626	13,178	
Sweden				
Astra AB A Free Shares	120,000	3,955	4,352	
Atlas Copco AB 'A' Free Shares	210,000	3,625	3,769	
SKF AB B Shares	145,000	2,896	3,355	
Stora Kopparbergs Bergslags 'A' Free	63,000	4,859	5,343	
		15,335	16,819	
Switzerland				
Alusuisse - Lonza AG - Registered	7,300	4,513	5,161	
BBC Brown Boveri AG 'A' Bearer	4,400	3,532	5,312	
CS Holding Registered	36,470	3,548	4,375	
Nestle SA Registered	6,000	6,391	8,015	
Sandoz Ag Registered	9,000	6,410	6,575	
Winterthur Insurance Group - Registered	5,500	3,751	4,006	
		28,145	33,444	
United Kingdom				
BAA PLC	800,000	8,246	8,310	
Barclays Bank PLC	725,000	8,546	9,744	
Bass PLC	670,000	7,521	7,570	
Bat Industries PLC	550,000	5,464	5,212	
Blue Circle Industries PLC	350,000	2,580	2,175	
Bowater Industries PLC	500,000	5,312	4,799	
The British Petroleum Company PLC	1,025,000	8,478	9,578	
British Sky Broadcasting Group PLC	200,000	1,107	1,124	
British Steel PLC	1,650,000	5,893	5,635	
British Telecommunications PLC	600,000	5,058	4,974	
Carlton Communications PLC	50,000	937	985	
Commercial Union PLC	600,000	7,108	6,681	
De La Rue PLC	250,000	3,445	5,188	
Glaxo Holdings PLC	450,000	6,206	6,552	
Imperial Chemical Industries PLC	525,000	8,860	8,630	
J. Sainsbury PLC	475,000	4,274	4,293	
Johnson, Matthey PLC	210,000	2,609	2,518	
Marks & Spencer PLC	550,000	5,006	4,807	
National Westminster Bank PLC	575,000	6,527	6,516	
Peninsular & Oriental Steam Navigation Co. PLC	350,000	5,076	4,689	
Powergen PLC	450,000	3,790	5,297	
Rank Organisation PLC	735,000	5,572	6,731	
RTZ Corporation PLC	450,000	6,981	8,193	
Siebel PLC	525,000	5,506	6,410	
Smith & Nephew PLC	1,450,000	4,720	4,888	
Smithkline Beecham PLC - Class 'A'	875,000	7,563	8,714	
Smiths Industries PLC	650,000	6,041	6,267	
Southern Electric PLC	310,000	4,180	5,514	
Tate & Lyle PLC	425,000	4,003	3,957	
Telewest Communications PLC	175,000	682	657	
Williams Holdings PLC	745,000	5,891	5,105	
Zeneca Group PLC	200,000	3,892	3,852	
		167,074	175,565	
Total Investments		\$ 435,981	\$ 476,234	
Net Assets:				
Total Investments			\$ 476,234	
Short term debt instruments			62,711	
Cash and other net assets			19,926	
			\$ 558,871	

Investors Pacific International Fund

Meeting the challenges in Asia

Investors Pacific International Growth Fund offers investors the opportunity to participate in the growth of select Asian companies (excluding Japan).

Asset mix. Following a strong start early in the year, rising interest rates had a dampening effect on most Asian markets. This was particularly true of Hong Kong where its dollar is pegged to the U.S. currency. Hong Kong was also troubled by concerns about the property market and mainland China's overheating economy.

Some countries, notably South Korea, Taiwan and India, were able to move ahead, however. The Fund also benefited from wider exposure to Australia and New Zealand, where strong currency gains offset lower stock market values.

Outlook. With interest rates expected to rise over the coming months, the Fund will pursue a cautious investment approach. South Korean exposure is likely to remain at its current level but the Fund may increase exposure to carefully selected small and medium-sized companies in Taiwan. Hong Kong will remain underweighted until the property sector stabilizes and China's economic picture appears more favourable.

With a cash position of roughly 8%, the Fund is still seeking investment opportunities to gradually broaden its exposure in several markets. Thailand and Indonesia are of particular interest as corporate profits in both these countries are expected to grow by 25%.

While the first half of the year may be challenging, 1995's overall prospects should offer an improved outlook for the Fund.

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment. For example, for every \$100 in Investors Pacific International Fund...

Performance Highlights*

1 yr	3 yr
(6.74) %	27.57 %
Inflation**	
0.23 %	1.35 %

Financial Highlights*

Total net assets	\$ 1,062,963,675
Number of Unitholders	105,378
Asset value per unit:	
High	\$ 13.10
Low	\$ 10.98
Close	\$ 11.81
Income distributed per unit:	\$ 0.01

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown.

** As measured by the Consumer Price Index, December 31, 1994.

PORTFOLIO MIX BY COUNTRY as at December 31, 1994

VALUE OF INVESTMENT	
HONG KONG	\$ 17.41
MALAYSIA	\$ 11.70
AUSTRALIA	\$ 11.39
SINGAPORE	\$ 10.60
THAILAND	\$ 9.58
SOUTH KOREA	\$ 9.43
INDONESIA	\$ 9.00
NEW ZEALAND	\$ 4.83
TAIWAN	\$ 3.09
PHILIPPINES	\$ 2.33
INDIA	\$ 1.24
CHINA	\$ 0.61
VIETNAM	\$ 0.44
SRI LANKA	\$ 0.18
RESERVES	\$ 8.17
TOTAL	\$ 100.00

A complete portfolio listing begins on the following page.

Investors Pacific International Fund

Statement of Investments

as at December 31, 1994

		(in thousands)		
	Par Value	Average Cost	Market Value	
CORPORATE - CONVERTIBLE BONDS				
*Far East Department Store 3.00% 07-06-01	3,000,000	\$ 4,156	\$ 3,693	
*Far Eastern Textile 4.00% 10-07-06	1,250,000	1,429	1,920	
*Kangwon Industries 3.125% 06-30-06	1,250,000	1,441	1,902	
*Tung Ho Steel Enterprise 4.00% 07-26-01	2,350,000	2,739	3,708	
*U-Ming Marine CB 1.5% 02-07-01	4,000,000	5,749	6,172	
*United Microelectronics 1.25% 06-08-04	3,000,000	4,287	6,523	
		19,801	23,918	
PREFERRED STOCK				
	No. of Shares			
South Korea				
Kolon Industries	52,859	1,445	1,345	
Dongsuh Securities Co., Ltd.	20,000	591	356	
		2,036	1,701	
COMMON STOCK				
Australia				
Arcor Ltd.	1,526,785	12,812	15,471	
Boral Ltd.	3,161,100	12,790	11,685	
The Broken Hill Proprietary Company Limited	1,025,472	15,612	21,852	
Coles Myer Ltd.	3,000,355	15,013	14,287	
Mayne Nickless Ltd.	1,531,007	11,780	10,986	
National Australian Bank Ltd.	1,086,203	9,747	12,187	
Pacific Dunlop Limited	3,702,537	18,942	13,807	
Plutonic Resources Ltd.	400,000	2,825	2,479	
Western Mining Corporation	2,263,432	13,737	18,358	
		113,258	121,112	
China				
Luoyang Glass Company Ltd. 'H' Shares	12,160,000	6,912	6,504	
Hong Kong				
B & B Asia Limited	4,000,000	2,799	899	
Cheung Kong (Holdings) Limited	4,000,000	16,984	22,844	
China Light & Power Company Limited	420,000	2,258	2,513	
Dairy Farm International Holdings Limited	1,221,919	1,779	1,839	
Great Eagle Holdings Ltd.	12,000,000	7,421	6,744	
HSBC Holdings PLC	1,622,009	13,411	24,555	
Hongkong Aircraft Engineering Co. Ltd.	1,510,000	4,497	7,063	
Hongkong Electric Holdings Ltd.	2,000,000	5,224	7,669	
Hongkong Land Holdings Ltd.	4,801,565	9,106	13,145	
Hongkong & Shanghai Hotels	911,000	1,082	1,478	
Hongkong Telecommunications	3,000,000	8,266	8,023	
Hutchison Whampoa Ltd.	3,940,000	12,748	22,358	
Jardine Matheson Holdings Limited	504,681	5,500	5,055	
Kumagai Gumi (Hong Kong) Ltd.	3,112,000	3,830	3,498	
Sun Hung Kai Properties Ltd.	1,000,000	6,185	8,376	
Swire Pacific Limited Class A	1,845,000	9,929	16,123	
Swire Pacific Limited Class B	3,800,000	3,051	5,236	
Television Broadcasts Ltd.	1,200,000	4,108	6,723	
UDL Holdings Limited	6,240,000	1,650	837	
Wharf (Holdings) Ltd.	2,419,000	6,674	11,447	
Wing On Company	5,750,000	12,219	8,600	
		138,721	185,025	
India				
Bajaj Auto Ltd. GDR	46,250	1,616	1,557	
Great Eastern Shipping Co. GDS	150,000	3,208	2,262	
The Himalayan Fund	303,587	3,538	6,601	
The Himalayan Fund Warrants (exp. 12-31-96)	60,717	35	213	
Hindalco Industries Ltd. GDR	56,000	1,154	2,592	
		9,551	13,225	

Statement of Investments (continued)

as at December 31, 1994

		(in thousands)		
	No. of Shares	Average Cost	Market Value	
COMMON STOCK (continued)				
Indonesia				
PT Astra International	3,360,000	\$ 7,258	\$ 9,018	
PT Bank International Indonesia	1,860,000	4,098	8,320	
PT Dharmala Intiland	6,000,000	11,595	7,956	
PT Duta Anggada Realty	666,666	1,247	639	
PT Indah Kiat Pulp and Paper	5,285,000	4,975	8,780	
PT Indocement Tungal	580,000	1,968	3,335	
PT Indonesia Satellite Corp	1,500,000	8,067	7,548	
PT Lippo Land Development	6,756,000	15,495	12,951	
PT Mulia Industrindo	2,350,000	7,481	9,010	
PT Panin Bank	1,400,000	1,559	2,818	
PT Semen Cibinong	1,080,000	4,660	4,417	
PT Semen Gresik	450,000	2,507	2,962	
PT Smart	1,141,000	2,199	2,041	
PT Tira Austenite	1,390,000	2,635	4,441	
PT Tjiwi Kimia	2,500,000	5,813	6,550	
PT Unggul Indah Corporation	1,556,999	2,187	2,612	
PT United Tractors	760,000	1,463	2,282	
		85,207	95,680	
Malaysia				
Cement Industries of Malaysia BHD	1,411,000	3,011	6,166	
Development & Commercial Bank BHD	1,000,000	1,841	3,133	
Edaran Otomobil Nasional	400,000	2,985	4,266	
IJM Corporation BHD	740,000	2,697	3,478	
Malayan Banking BHD	1,650,000	6,380	13,968	
Malayawata Steel BHD	1,400,000	3,351	3,556	
Malaysia Oxigen BHD	750,000	2,149	2,927	
Malaysian International Shipping Corp. BHD	5,253,333	14,728	21,081	
Malaysian Pacific Industries BHD	1,652,000	3,588	4,105	
Perlis Plantation BHD	1,000,000	2,894	4,617	
Public Bank BHD	4,425,000	4,980	12,405	
Resorts World Berhad	700,000	6,041	5,772	
Sime Darby BHD	3,600,000	5,790	11,577	
Sungei Way Holdings Berhad	512,000	2,726	2,871	
Syrika Telekom Malaysia BHD	300,000	1,971	2,853	
Tenaga Nasional BHD	1,200,000	6,229	6,662	
United Engineers (Malaysia) BHD	2,149,000	5,109	14,884	
		76,470	124,321	
New Zealand				
Brierly Investments Ltd.	13,375,000	11,383	13,564	
Carter Holt Harvey Holdings Ltd.	2,900,000	5,951	8,329	
Fernz Corporation Ltd.	700,000	4,002	3,047	
Fletcher Challenge Limited Ordinary Division	7,000,000	17,634	23,057	
Fletcher Forest Ltd.	2,000,000	4,415	3,357	
		43,385	51,354	
Philippines				
Manila Electric Co.	756,000	1,180	14,681	
Philippine Long Distance Telecom ADR	130,000	6,880	10,052	
		8,060	24,733	
Singapore				
Cerebos Pacific Ltd.	325,000	1,086	2,505	
City Developments Ltd.	1,109,232	2,264	8,710	
Cycle & Carriage	500,000	2,581	6,311	
Development Bank of Singapore Limited	415,625	2,637	6,007	
Hai Sun Hup Group Ltd.	1,100,000	1,771	1,547	
Inchcape BHD	300,000	976	1,590	
Jurong Shipyard Ltd.	500,000	4,754	5,396	
Keppel Corporation Ltd.	1,250,000	6,424	14,934	
National Iron & Steel Mills Ltd.	500,000	1,125	1,445	
Overseas Chinese Banking Corp.	644,000	6,021	9,308	
Overseas Union Bank Ltd.	520,000	3,144	4,259	
Pacific Carriers Limited	1,850,000	2,070	2,513	
Singapore Aerospace Limited	944,000	1,768	2,265	
Singapore Airlines Limited	1,200,000	9,180	15,493	
Singapore Land Limited	1,200,000	5,613	9,885	
United Overseas Bank Ltd.	673,750	6,301	9,997	

* Par Value expressed in U.S. dollars

† One unit = five ordinary shares and one warrant

See accompanying notes to financial statements.

Investors Pacific International Fund

Statement of Investments (continued)

as at December 31, 1994

		(in thousands)	
	No. of Shares	Average Cost	Market Value
COMMON STOCK (continued)			
Singapore (continued)			
Wing Tai Holdings Limited	4,207,500	\$ 4,874	\$ 10,459
		62,589	112,624
South Korea			
Bank of Seoul	1,513,286	21,427	20,019
Cho Hung Bank	96,362	1,497	1,996
Daewoo Heavy Industries			
Second New Shares	149,590	3,580	3,193
Dong Hae Pulp Co	100,000	2,053	4,537
Goldstar Co.	30,000	823	1,628
Han Jin Transportation	25,750	682	1,594
Hankuk Glass Industries			
Inc. GDR	91,524	2,307	1,926
Hyundai Motor Co., Ltd. GDR	60,000	2,407	1,557
Korea Electric Power Corp.	570,000	18,218	27,582
Korea Exchange Bank	90,000	1,403	1,713
Korea First Bank	3,535	60	69
Lucky Co. Ltd.	529,480	13,314	21,633
Samsung Electronic Co. Ltd.			
GDS Non-Voting	98,000	3,854	6,530
Samsung Electronic Co. Ltd.			
GDS Non-Voting New	4,162	219	277
Samsung Electronic Co. Ltd.			
GDS Voting	2,478	57	165
Samsung Engineering			
& Construction	23,890	748	1,269
Samsung Moolsan Co.	16,460	555	915
		<u>73,204</u>	<u>96,603</u>
Sri Lanka			
John Keells GDR	155,000	3,064	1,957
Taiwan			
China Steel Corporation GDS	350,000	9,973	10,801
Thailand			
Bangkok Bank Ltd.	407,000	2,086	6,097
Bangkok Land Ltd.	100,000	591	349
Bangkok Land Ltd. (Local)	400,000	3,288	1,398
Bank of Ayudhya Ltd.	589,000	1,635	3,391
Juldis Development Co. Ltd.	550,000	3,382	3,536
Krung Thai Bank Ltd.	969,800	2,251	4,445
Regional Container Lines Company	265,502	2,356	5,966
Shinawatra Computer &			
Communications Public Co. Ltd.	164,000	1,868	5,024
The Siam Cement Co., Ltd.	296,500	10,933	24,928
Siam City Cement Co. Ltd.	800,000	8,900	19,140
Siam Commercial Bank	880,500	2,568	11,321
Siam Pulp & Paper	270,000	943	1,555
Singer Thailand Ltd.	66,000	965	790
Sino Thai Engineering &			
Construction Co. Ltd.	165,000	2,057	2,822
Somprasong Land Public Co.	195,000	1,585	861
The Thai Farmers Bank Ltd.	754,850	2,387	8,608
Thai German Ceramic Co.	425,000	2,976	1,651
		<u>50,771</u>	<u>101,882</u>
Vietnam			
‡Beta Viet Nam Fund Limited Units	60,000	3,842	4,671
		685,007	950,492
Total Investments		\$ 706,844	\$ 976,111
Net Assets:			
Total investments			\$ 976,111
Short term debt instruments			78,433
Cash and other net assets			8,420
			<u>\$ 1,062,964</u>

* Par Value expressed in U.S. dollars
‡ One unit = five ordinary shares and one warrant

See accompanying notes to financial statements.

Investors Asset Allocation Fund

Performance Highlights*

3 months	6 months	9 months	since inception
(0.15) %	3.37 %	(0.46) %	(4.32) %

Inflation**

0.23 %

Financial Highlights*

Total net assets	\$ 428,141,647
Number of Unitholders	61,195

Asset value per unit:

High	\$ 5.09
Low	\$ 4.59
Close	\$ 4.78

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, and will pay a service fee to the distributor, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown.

** As measured by the Consumer Price Index, December 31, 1994.

Neutral

Canadian equities
Foreign equities
Canadian debt securities



At year-end

Canadian equities
Foreign equities
Canadian debt securities



A strategic process

Investors Asset Allocation Fund seeks to increase overall returns by actively shifting among four major asset classes: Canadian equities, foreign equities, Canadian debt securities, and cash.

Investment process. Contrarian and anticipatory in nature, the Fund employs a tactical asset allocation strategy. This active approach means that the Fund will often be selling an asset class when the majority of investors may still be buying and buying when the majority of investors are selling.

Within a broad economic framework, each asset class is analyzed relative to both its own historical value and to overall market sentiment. Short-term adjustments are made in response to perceived risk and reward and the portfolio is weighted towards the sector with superior value.

Asset mix. The sharp rise in interest rates over the year had a dramatic impact on the Fund's composition. Moving from a strong weighting in Canadian equities earlier in the year, the Fund switched its focus to Canadian debt securities by mid-year. Since the Japanese stock market was somewhat buffered from rising interest rates, it dominated the Fund's foreign holdings. This mix offered some defensive values in a challenging environment.

Outlook. Inflation remains low and long-term bonds are producing attractive real rates of return. As a result, we anticipate further and continued pressure on equities. The Fund will continue emphasizing bonds for now.

The Funds neutral position is Canadian equities (40%), Foreign equities (20%), and Canadian debt securities (40%). At year end the Funds position was Canadian equities (22%), Foreign equities (9%) and Canadian debt securities (69%).

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment.
For example, for every \$100 in Investors Asset Allocation Fund . . .

PORTFOLIO MIX as at December, 31, 1994

VALUE OF INVESTMENT

CANADIAN DEBT SECURITIES	\$ 67.86
CANADIAN EQUITIES	\$ 21.58
JAPANESE EQUITIES	\$ 7.18
SPANISH EQUITIES	\$ 1.17
U.K. EQUITIES	\$ 0.51
HONG KONG EQUITIES	\$ 0.32
RESERVES	\$ 1.38
TOTAL	\$ 100.00

The Portfolio mix shown above reflects the Fund's derivative investments in the Portfolio (note 14) and the investments shown in the statement of investments on the following pages.

Investors Asset Allocation Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
BONDS			
FEDERAL GOVERNMENT			
Government of Canada			
7.00% 03-15-95	\$ 1,500,000	\$ 1,502	\$ 1,500
10.50% 06-01-95	2,670,000	2,762	2,698
10.75% 12-15-95	2,500,000	2,578	2,551
6.00% 02-01-96	3,040,000	2,992	2,958
10.25% 03-01-96	5,500,000	5,696	5,596
9.25% 05-01-96	1,900,000	1,949	1,912
8.75% 06-01-96	3,000,000	3,065	3,001
9.75% 10-01-97	37,315,000	38,758	38,080
10.75% 03-15-98	2,500,000	2,628	2,619
9.50% 10-01-98	1,800,000	1,896	1,825
10.25% 12-01-98	3,000,000	3,245	3,116
13.75% 03-15-00	11,500,000	13,818	13,685
03-15-00 (Coupons only)			
(yield 13.75%)	11,500,000	7,240	7,205
9.75% 05-01-00	2,850,000	3,060	2,931
10.50% 07-01-00	14,900,000	16,120	15,809
10.50% 03-01-01	2,500,000	2,642	2,663
9.75% 06-01-01	1,300,000	1,328	1,342
10.00% 05-01-02	1,950,000	2,015	2,041
11.25% 12-15-02	1,630,000	1,911	1,822
10.25% 02-01-04	2,450,000	2,741	2,614
6.50% 06-01-04	1,430,000	1,197	1,195
9.00% 12-01-04	13,800,000	13,710	13,697
9.00% 12-01-06	15,500,000	15,392	15,323
10.00% 06-01-08	7,000,000	7,480	7,434
9.50% 06-01-10	2,250,000	2,251	2,306
10.25% 03-15-14	2,250,000	2,586	2,463
9.25% 06-01-22	1,825,000	1,771	1,833
		162,333	160,219
PROVINCIAL & GUARANTEED			
Hydro-Quebec Global			
7.00% 06-01-04	845,000	691	692
9.625% 07-15-22	2,285,000	2,289	2,183
Alberta Government Telephones			
Commission 9.75% 03-26-96	3,250,000	3,344	3,289
Province of Alberta			
7.75% 02-04-98	550,000	526	531
10.25% 08-22-01	3,900,000	4,145	4,075
Province of British Columbia			
9.00% 06-21-04	1,000,000	980	974
8.70% 11-30-02			
Multi Step Up Notes	2,600,000	2,600	2,600
Province of Manitoba			
9.625% 09-03-02	1,500,000	1,558	1,536
10.00% 05-15-11			
Ret. 9.75% 05-15-95	1,200,000	1,257	1,255
Province of New Brunswick			
8.00% 03-17-03	1,875,000	1,679	1,709
7.50% 07-28-03	1,975,000	1,810	1,736
Province of Ontario			
8.00% 03-11-03 Global	2,250,000	2,072	2,048
9.00% 09-15-04	20,575,000	19,903	19,803
8.10% 09-08-23	9,800,000	8,181	8,291
7.50% 02-07-24 Global	6,150,000	4,843	4,846
Province of Quebec 9.00% 05-01-03	1,875,000	1,729	1,773
Province of Saskatchewan			
10.125% 07-03-98	1,075,000	1,129	1,101
11.00% 01-09-01	500,000	533	532
		59,269	58,974
MUNICIPAL			
Municipal Finance Authority			
of British Columbia			
9.875% 05-08-06			
(Ret. 10.25% 05-08-96)	1,950,000	2,084	2,024
Regional Municipality of			
Hamilton-Wentworth			
10.25% 12-07-04	750,000	783	773
		2,867	2,797
CORPORATE - NON CONVERTIBLE			
BC Tel. 10.65% 06-19-21			
	250,000	268	272
Bell Canada 11.00% 10-15-11			
Call 2004	1,390,000	1,542	1,473
Bank of Montreal 10.60% 12-20-98	1,076,000	1,123	1,114
Canada Trustco Mortgage Co.			
10.05% 08-04-14	425,000	423	428
Canadian Tire Corporation Ltd.			
12.10% 05-10-10	500,000	585	556
Canada Eldor Inc. 6.25% 08-18-95	750,000	738	740
Interprovincial Pipeline			
10.00% 12-15-06	954,000	960	942

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
BONDS (continued)			
CORPORATE -			
NON CONVERTIBLE (continued)			
Loblaws Companies Ltd.			
9.75% 09-30-01	\$ 725,000	\$ 760	\$ 735
John Labatt Limited			
9.25% 03-06-02	900,000	874	876
Molson Breweries 8.40% 12-07-18	1,250,000	1,070	1,080
Molson Breweries 9.10% 03-11-03	150,000	147	140
Maritime Telegraph and Telephone			
Company Ltd. 10.375% 06-15-99	1,204,000	1,223	1,221
Nova Gas Transmission Ltd.			
11.95% 10-01-07	871,000	941	947
Nova Gas Transmission Ltd.			
12.625% 04-15-10	400,000	472	455
Scott's Hospitality 8.50% 12-16-02	900,000	842	806
Suncor 12.00% 06-01-03	255,000	271	262
Union Gas 11.55% 10-15-10	1,795,000	1,943	1,924
Westcoast Transmission Co. Ltd.			
10.60% 01-15-06	286,000	297	289
		14,479	14,260
	No. of Shares		
COMMON STOCK			
Communications & Media			
Quebecor Inc. Class B	3,900	76	69
Rogers Cantel Mobile Communications			
Class B Sub. voting	2,100	65	87
Rogers Communications Inc. Class B	33,000	648	619
Southern Inc.	5,300	101	82
The Thomson Corporation	46,100	752	795
Torstar Corporation Class B	3,000	70	69
Videotron Groupe Ltée (Le) Sub. voting	5,000	71	66
		1,783	1,787
Consumer Products			
Cott Corporation	4,700	148	65
Imasco Limited	21,800	829	867
John Labatt Limited	9,600	198	184
The Loewen Group Inc. Voting	3,400	112	125
Magna International Inc. Class A	6,500	346	351
The Molson Companies Limited Class A	4,800	113	95
The Seagram Company Ltd.	54,300	2,245	2,274
		3,991	3,961
Computer			
SHL Systemhouse Inc.	7,400	67	53
Financial Services			
Bank of Montreal	47,000	1,230	1,228
The Bank of Nova Scotia	38,400	1,068	1,027
Canadian Imperial Bank of Commerce	44,100	1,455	1,494
The Horsham Corporation Sub. voting	10,000	178	178
Mackenzie Financial	6,500	62	59
National Bank of Canada	31,500	304	299
The Royal Bank of Canada	62,600	1,808	1,761
The Toronto-Dominion Bank	61,100	1,312	1,298
		7,417	7,344
Gold & Silver			
Agnico-Eagle Mines Ltd.	4,200	60	62
American Barrick Resources Corporation	45,965	1,378	1,442
Cambior Inc.	5,400	93	87
Echo Bay Mines Inc.	26,400	401	399
Franco-Nevada Mining Corporation Ltd.	1,500	108	103
Hemlo Gold Mines Inc.	5,800	70	83
Pegasus Gold Inc.	3,700	80	60
Placer Dome Inc.	55,600	1,578	1,689
Tecor Corporation Class B Non-voting	23,400	574	594
TVX Gold Inc.	17,400	126	165
		4,468	4,684
Industrial Products			
Bombardier Inc. Class B Sub. voting	27,200	607	677
CAE Industries Ltd.	11,900	92	89
Co-Steel Inc. Common Sub. voting	2,900	78	84
Dofasco Inc.	23,200	458	438
Ipsco Inc.	3,000	71	76
Methanex Corporation	16,400	226	299
Moore Corporation Ltd.	24,900	613	666
Newbridge Networks Corporation	6,500	397	350
Nova Corp.	92,500	1,181	1,203
Sherritt Inc.	6,800	78	92
Stelco Inc. Series A	11,300	90	90
		3,891	4,064

Investors Asset Allocation Fund

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)			
	No. of Shares	Average Cost	Market Value	
COMMON STOCK (continued)				
Merchandising				
Canadian Tire Corporation Ltd. Class A	37,500	\$ 435	\$ 469	
Finning Ltd.	4,200	87	83	
Hudson's Bay Company	4,800	135	120	
The Oshawa Group Ltd. Class A Non-voting	4,000	82	75	
George Weston Limited	2,200	90	93	
		829	840	
Conglomerates				
Brascan Ltd. Class A	4,100	69	84	
Canadian Pacific Ltd.	65,500	1,446	1,367	
Semi-Tech Corp Class A Sub. voting	6,400	116	67	
		1,631	1,518	
Metals & Minerals				
Alcan Aluminum Ltd.	45,600	1,556	1,625	
Cameco Corporation	3,500	82	109	
Cominco Ltd.	5,600	113	139	
Euro-Nevada Mining Corp Ltd.	1,900	66	56	
Inco Ltd.	26,800	1,022	1,075	
Metall Mining Corporation	8,900	120	107	
Noranda Inc.	27,000	691	716	
Potash Corporation of Saskatchewan Inc.	4,700	147	224	
Rio Algom Ltd.	5,700	125	152	
		3,922	4,203	
Oil & Gas				
Alberta Energy Company Ltd.	7,700	152	138	
Anderson Exploration Ltd.	6,200	102	78	
Canadian Natural Resources Ltd.	8,600	171	118	
Canadian Occidental Petroleum	14,900	452	473	
Conwest Exploration Company Ltd.	2,900	61	63	
Home Oil Company Ltd.	4,500	82	67	
Imperial Oil Ltd.	13,500	600	624	
Norcen Energy Resources Ltd.	5,100	79	85	
PanCanadian Petroleum Limited	1,800	75	72	
Petro-Canada	8,100	115	92	
Poco Petroleum Ltd.	10,200	101	77	
Ranger Oil Ltd.	52,800	441	442	
Renaissance Energy Ltd.	30,200	839	819	
Rigel Energy Corporation	3,900	74	55	
Shell Canada Ltd. Class A	2,700	106	115	
Suncor Inc.	2,700	76	86	
Talisman Energy Inc.	10,500	312	247	
Wascana Energy Inc.	8,600	75	86	
		3,913	3,737	
Pipelines				
IPL Energy Inc.	4,400	134	125	
TransCanada PipeLines Ltd.	33,800	618	579	
Westcoast Energy Inc.	9,400	206	209	
		958	913	
Paper & Forest Products				
Abitibi-Price Inc.	9,600	157	186	
Avenor Inc.	7,400	156	205	
Canfor Corporation	3,600	74	67	
Fletcher Challenge Canada Ltd. Class A	6,700	132	119	
International Forest Products Ltd. Class A	3,500	54	46	
Macmillan Bloedel Ltd.	27,600	536	486	
		1,109	1,109	
Transportation & Environmental Services				
Air Canada	12,900	78	108	
Laidlaw Inc. Class B Non-voting	46,300	475	521	
		553	629	
Telecommunications				
Northern Telecom Ltd.	27,200	1,224	1,272	
Utilities				
BC Gas Inc.	4,400	69	59	
BC Telecom Inc.	6,100	153	146	
BCE Inc.	61,900	2,952	2,793	
BCE Mobile Communications Inc.	2,600	92	116	
Canadian Utilities Limited				
Class A Non-voting	2,500	60	60	
Nova Scotia Power Inc.	9,400	115	105	

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)			
	No. of Shares	Average Cost	Market Value	
COMMON STOCK (continued)				
Utilities (continued)				
Telus Corporation	29,300	\$ 482	\$ 465	
Transalta Corporation	45,500	641	660	
		4,564	4,404	
		40,320	40,518	
Total Investments		\$ 279,268	\$ 276,768	
Net Assets:				
Total Investments			\$ 276,768	
Short term debt instruments			144,072	
Cash and other net assets			7,301	
			\$ 428,141	

Investors Corporate Bond Fund

Corporate sector improving

Investors Corporate Bond Fund offers investors the opportunity to enjoy a high level of current income generated by a portfolio of bonds issued by some of Canada's strongest companies.

Asset mix. Immediately after its inception, the Fund held the bulk of its assets in short-term Government of Canada Treasury Bills. As its assets grew to sufficient size, in the last few months of 1994, it began to invest in a broadly diversified portfolio of provincial and corporate bonds.

The Fund continues to emphasize credit quality and invests only in bonds that have an adequate level of credit quality combined with an attractive yield. Shopping centre and real estate issues, for instance, present good value at the moment, but the Fund is prepared to consider only selective issues.

Outlook. The Fund's term to maturity currently is a relatively short three years. Increases in the overall level of interest rates will be utilized to increase the term to the target level of seven to eight years.

Performance Highlights*

3 months	6 months	since inception
(1.09) %	0.30 %	0.57 %
Inflation**		0.23 %

Financial Highlights*

Total net assets	\$ 555,806,765
Number of Unitholders	1,333
Asset value per unit:	
High	\$ 10.06
Low	\$ 9.79
Close	\$ 9.79
Income distributed per unit:	\$ 0.26

* These returns are average annual rates of return and include reinvestment of all income distributions. Management fees are included. Acquisition and redemption fees are not included. Past performance does not predict future performance. Effective October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which would have had the effect of decreasing its performance had these changes been in effect during the periods shown.

** As measured by the Consumer Price Index, December 31, 1994.

Where your money is invested

One of the easiest ways to understand a mutual fund is to look at it in terms of a simple \$100 investment. For example, for every \$100 in Investors Corporate Bond Fund . . .

PORTFOLIO MIX as at December 31, 1994

VALUE OF INVESTMENT

CORPORATE	\$ 67.40
PROVINCIAL AND GUARANTEED	\$ 23.19
MUNICIPAL	\$ 0.89
MORTGAGE BACKED	\$ 0.74
RESERVES	\$ 7.78
TOTAL	\$ 100.00

A complete portfolio listing begins on the following page.

Investors Corporate Bond Fund

Statement of Investments

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
PROVINCIAL			
Province of Manitoba			
7.00% 04-19-99	\$ 11,400,000	\$ 10,568	\$ 10,522
11.00% 08-15-00	3,800,000	4,090	4,077
11.25% 10-17-00	3,550,000	3,863	3,854
Province of New Brunswick			
8.75% 06-16-97	8,400,000	8,373	8,350
10.50% 11-23-98 Euro-Cdn	2,400,000	2,471	2,460
Newfoundland and Labrador Hydro			
10.75% 09-17-01	5,800,000	6,200	6,052
Province of Ontario			
10.00% 09-30-96 Euro-Cdn	10,000,000	10,156	10,125
Ontario Hydro			
10.25% 07-12-98	12,500,000	12,922	12,880
10.875% 03-29-99 Euro-Cdn	18,175,000	19,004	18,970
10.00% 03-19-01	2,000,000	2,053	2,048
Ontario Hydro Global			
8.625% 02-06-02	8,400,000	8,039	8,005
9.00% 06-24-02	13,450,000	13,087	13,060
Province of Prince Edward Island			
9.75% 04-30-02	5,000,000	5,096	4,998
Province of Saskatchewan			
8.125% 02-04-97	1,500,000	1,474	1,471
10.125% 07-03-98	14,275,000	14,689	14,617
10.75% 06-01-01	4,700,000	5,041	4,935
8.75% 06-01-01	2,575,000	2,477	2,475
		<u>129,603</u>	<u>128,899</u>
MUNICIPAL			
The Municipality of Metropolitan Toronto 7.25% 07-29-98	1,700,000	1,607	1,598
City of Winnipeg 9.75% 08-01-96	3,300,000	3,354	3,340
		<u>4,961</u>	<u>4,938</u>
CORPORATE - NON CONVERTIBLE			
Alberta Natural Gas Company Ltd.			
8.40% 07-15-03	9,000,000	8,289	8,257
BC Gas Utility Limited			
8.15% 07-28-03	5,000,000	4,543	4,518
10.30% 09-30-16	5,500,000	5,709	5,695
Bank of Montreal 8.50% 06-10-02	4,450,000	4,392	4,368
Bank of Nova Scotia			
6.95% 08-13-98 GIC	2,225,000	2,064	2,055
Bell Canada			
8.875% 07-25-97 Euro-Cdn	5,000,000	4,947	4,925
8.00% 03-10-98 Euro-Cdn	10,000,000	9,625	9,600
7.875% 04-23-98 Euro-Cdn	13,650,000	13,070	13,018
10.625% 07-15-99 Debs., Series DY Euro Cdn	4,975,000	5,146	5,130
Bell Mobility Cellular Inc.			
8.30% 10-23-98 Unsec. Debs. Series D Private Placement	10,000,000	9,459	9,430
Canadian Utilities Limited			
11.25% 09-15-98	2,000,000	2,120	2,109
Centra Gas Manitoba Inc.			
8.50% 09-18-02 Private Placement	3,500,000	3,278	3,253
The Consumers' Gas Company Ltd.			
7.25% 06-03-96 Medium Term Notes	2,650,000	2,593	2,589
6.50% 10-15-97 Medium Term Notes	1,750,000	1,638	1,635
7.40% 03-16-98 Medium Term Notes	4,900,000	4,644	4,633
Continental Lime Ltd.			
11.94% 09-30-06 Series A Secured S.F. Debs. Private Placement	4,297,500	4,593	4,579
Finning Ltd. 8.35% 03-22-04	7,500,000	6,720	6,690
Ford Credit Canada Ltd.			
10.15% 09-26-96 Medium Term Notes	10,000,000	10,185	10,150
10.65% 10-01-96 Medium Term Notes	15,100,000	15,493	15,440
9.625% 11-20-96 Euro-Cdn	10,000,000	10,033	10,013
Gaz Metropolitan, Inc.			
10.875% 12-18-95 Euro-Cdn	2,500,000	2,593	2,541
11.75% 11-15-05 Debs	943,000	1,011	1,006
10.75% 12-15-06	5,000,000	5,275	5,245
10.45% 10-31-16	5,000,000	5,235	5,223
General Motors Acceptance Corporation of Canada, Limited			
7.85% 04-29-96	6,600,000	6,498	6,485
6.80% 08-27-96 Medium Term Notes	6,600,000	6,357	6,344
7.70% 07-16-98	9,500,000	8,956	8,930
7.60% 07-16-98 Medium Term Notes	4,600,000	4,319	4,307
7.75% 07-16-98 Medium Term Notes	4,800,000	4,531	4,518
7.30% 10-19-98 Medium Term Notes	2,250,000	2,085	2,078
6.50% 01-18-99 Medium Term Notes	15,000,000	13,410	13,369
6.20% 02-10-99 Medium term Notes	10,000,000	8,815	8,800

Statement of Investments (continued)

as at December 31, 1994

	(in thousands)		
	Par Value	Average Cost	Market Value
CORPORATE - NON CONVERTIBLE (continued)			
Loblaws Companies Limited			
11.00% 10-02-95 Series 4	\$ 2,000,000	\$ 2,041	\$ 2,033
Markborough Properties Inc.			
10.75% 05-19-98			
First Mtge. Private Placement	3,025,000	3,068	3,004
Maritime Telegraph and Telephone Company, Ltd.			
9.90% 05-01-97	2,225,000	2,258	2,251
8.30% 01-15-19	2,200,000	1,890	1,888
Market Mail 10.55%			
10-29-01 Private Placement	1,000,000	969	957
Mobil Oil Canada Limited			
9.00% 05-02-97 Euro-Cdn	6,000,000	5,966	5,940
National Trust Company			
11.60% 07-04-01 Private Placement	7,500,000	8,018	7,980
The New Brunswick Telephone Company, Limited			
9.70% 06-15-97	1,100,000	1,113	1,109
Nova Scotia Power Corp.			
7.70% 10-15-03	800,000	712	703
Nova Gas Transmission Ltd.			
10.00% 05-20-96	12,225,000	12,340	12,286
10.75% 04-14-99	10,000,000	10,425	10,380
12.20% 02-28-16	10,000,000	12,090	12,075
Petro-Canada			
9.375% 06-24-97	7,225,000	7,224	7,211
The Royal Bank of Canada			
10.20% 10-14-99 Deb.	6,600,000	6,808	6,771
11.00% 07-01-00 Private Series AIR	6,000,000	6,369	6,348
11.75% 01-31-01	6,000,000	6,600	6,573
Scotia Mortgage Corp.			
7.625% 03-30-98 GIC	2,975,000	2,842	2,834
Talisman Energy Inc. 9.80% 12-22-04	7,500,000	7,448	7,443
Thomson Corp. 10.55% 05-10-01	3,500,000	3,695	3,638
Toronto-Dominion Bank			
8.75% 12-30-01	6,675,000	6,668	6,642
Toronto-Dominion Centre Limited			
10.70% 05-12-98	3,100,000	3,230	3,218
Transalta Utilities Corporation			
8.875% 04-01-97	2,225,000	2,216	2,209
TransCanada PipeLines Limited			
8.65% 10-21-02 Medium Term Notes	2,225,000	2,078	2,089
10.80% 07-20-02	6,700,000	7,095	7,069
11.90% 08-20-15	10,500,000	12,368	12,352
Union Gas Limited			
8.80% 01-20-97 Private Placement	2,225,000	2,212	2,205
8.75% 08-03-18	12,500,000	11,237	11,212
Westcoast Energy Inc.			
10.375% 11-01-99	8,650,000	8,944	8,901
9.70% 11-15-04	15,000,000	15,014	14,984
8.30% 12-30-13	5,000,000	4,338	4,330
Westcoast Transmission Ltd.			
11.30% 11-24-97	1,000,000	1,072	1,045
		<u>375,974</u>	<u>374,613</u>
MORTGAGE BACKED			
N.H.A. Mortgage Trust			
7.78% 04-15-98 Medium Term Notes Private Placement	4,300,000	4,178	4,112
		<u>\$ 514,716</u>	<u>\$ 512,562</u>
Net Assets:			
Total Investments			\$ 512,562
Short debt instruments			18,701
Cash and other net assets			24,544
			<u>\$ 555,807</u>

Statement of Net Assets and Unitholders' Interest

as at December 31, 1994
with comparative figures for 1993

(in thousands)

Assets:

Investments, at market value in Canadian funds:
Short term debt instruments
Accrued interest and dividends receivable
Mortgage interest receivable
Real estate acquired through foreclosure (note 1)
Accounts receivable
Rent receivable
Taxes receivable
Due from brokers

Total Assets

Liabilities:

Outstanding cheques less bank deposits and cash in transit
Due to brokers
Accrued expense
Accounts payable
Accounts payable - real estate operations
Allowance for mortgage loan and real estate losses
Long term debt (note 19)
Purchase option liability (note 15)
Property tax reserves

Total Liabilities

Net Assets and Unitholders' Interest

Average cost of the investments
as at December 31, 1994 and 1993:

	Investors Mortgage Fund		Investors Government Bond Fund		Investors Real Property Fund		
	(note 20)						
	1994	1993	1994	1993	1994	1993	
	\$	\$	\$	\$	\$	\$	
402,540	344,527	2,967,262	3,210,887	1,279,853	1,483,824	296,742	200,708
-	-	8,455	322,310	70,176	233,395	112,285	189,825
3,011	1,347	11,076	26,826	33,963	41,242	958	1,078
-	-	14,561	14,334	-	-	-	-
-	-	10,892	6,887	-	-	-	-
-	-	12,415	2,962	-	-	-	-
-	-	-	-	-	-	1,288	147
-	-	-	-	-	-	-	-
-	-	-	-	-	1,980	-	-
3,011	1,347	57,399	373,319	104,139	276,617	114,531	191,050
405,551	345,874	3,024,661	3,584,206	1,383,992	1,760,441	411,273	391,758
4,643	13,341	9,664	5,646	1,294	2,466	1,753	1,755
-	-	-	-	-	11,979	-	-
93	107	476	530	224	307	672	254
52	94	5,134	6,156	7,334	2,228	973	(9,096)
-	-	-	-	-	-	2,600	(937)
-	-	4,130	3,195	-	-	-	-
-	-	-	-	-	-	68,434	23,120
-	-	-	-	-	-	4,891	4,748
-	-	14,082	11,438	-	-	-	-
4,788	13,542	33,486	26,965	8,852	16,980	79,323	19,844
400,763	332,332	2,991,175	3,557,241	1,375,140	1,743,461	331,950	371,914
402,540	344,527	3,087,270	3,091,764	1,294,188	1,332,083	333,873	233,998

Investors Global Bond Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors European Growth Fund		Investors Pacific International Fund		Investors Asset Allocation Fund		Investors Corporate Bond Fund	
										(note 13)		(note 13)	
1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994		1994	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	
249,301	118,449	1,520,600	1,333,426	1,379,225	983,080	476,234	254,483	976,111	828,266	276,768		512,562	
9,651	5,180	155,657	165,359	157,721	137,463	62,711	28,225	78,433	102,940	144,072		18,701	
6,693	2,786	5,119	3,764	4,284	2,317	1,514	353	1,804	807	6,458		16,217	
-	-	-	-	-	-	-	-	-	-	-		-	
-	-	-	-	-	-	-	-	-	-	-		-	
-	-	2,072	(522)	-	-	-	-	-	-	-		6,379	
-	-	-	-	-	-	-	-	-	-	-		-	
277	25	-	-	-	-	652	346	-	-	-		-	
-	-	640	801	585	-	6,564	8,134	-	-	-		1,924	
16,621	7,991	163,488	169,402	162,590	139,780	71,441	37,058	80,237	103,747	150,530		43,221	
265,922	126,440	1,684,088	1,502,828	1,541,815	1,122,860	547,675	291,541	1,056,348	932,013	427,298		555,783	
(6,124)	(4,469)	3,082	2,278	1,077	57	(18,398)	(16,848)	(7,438)	1,269	(1,332)		(2)	
14,121	6,138	2,969	15,403	8,274	22,692	6,303	19,418	-	333	147		-	
108	96	302	410	247	294	306	227	928	682	95		(22)	
1,024	481	-	-	1,051	2,191	593	881	(106)	5,602	247		-	
-	-	-	-	-	-	-	-	-	-	-		-	
-	-	-	-	-	-	-	-	-	-	-		-	
-	-	-	-	-	-	-	-	-	-	-		-	
-	-	-	-	-	-	-	-	-	-	-		-	
9,129	2,246	6,353	18,091	10,649	25,234	(11,196)	3,678	(6,616)	7,886	(843)		(24)	
256,793	124,194	1,677,735	1,484,737	1,531,166	1,097,626	558,871	287,863	1,062,964	924,127	428,141		555,807	
246,236	114,463	1,291,695	1,024,975	1,221,324	744,370	435,981	217,121	706,844	478,330	279,268		514,716	

On Behalf of the Trustee:

Investors Group Trust Co. Ltd.

R. E. Anka

Director

David H. Pearson

Director

Statement of Operations

Year ended December 31, 1994
with comparative figures for 1993

(in thousands)

Investment Income:

Gross property rental income

Property expense

General operating expenses

Property management fees

Mortgage interest

Total property expenses

Net property rental income

Property development expense (note 15)

Dividends

Interest

Profit (loss) from future contracts

Mortgage Interest

Other income

Expense: (note 3)

Management fees

Unitholder services

Prospectus filing fees

Audit fees

Custodian fees

Goods and Services tax

Postage

Printing and stationery

Trustee fees

Other expenses

Income (loss) before taxes

Foreign withholding taxes paid

Net Income (loss) (note 2)

Distributed to unitholders (notes 2 & 5)

Income retained by Trustee

Realized profit (loss) from investment transactions

Proceeds from sales

Cost of investments sold

Net realized profit (loss)

Profit (loss) from foreign exchange

Profit (loss) from sale of properties

Profit (loss) from premiums and discounts (note 17)

Profit (loss) from real estate acquired through foreclosure

Total realized profit (loss) from investments

Unrealized appreciation (depreciation)

Balance, beginning of year

Net unrealized appreciation (depreciation) for the period

Net unrealized appreciation (depreciation) of

future contracts for the period

Net unrealized profit (loss) from foreign exchange on cash

and short-term debt instruments for the period

Balance, end of year

Allowance for mortgage loan and real estate losses (note 18)

Balance, beginning of year

Net decrease (increase) in allowance for the period

Balance, end of year

Investment Mortgage Fund		Investors Government Bond Fund		Investors Real Property Fund			
(note 20)							
1994	1993	1994	1993	1994	1993	1994	1993
\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	30,010	27,175
-	-	-	-	-	-	10,195	10,038
-	-	-	-	-	-	981	957
-	-	-	-	-	-	3,602	2,324
-	-	-	-	-	-	14,778	13,319
-	-	-	-	-	-	15,232	13,856
-	-	-	-	-	-	(693)	(689)
-	-	-	-	-	-	52	83
19,684	17,020	106,576	100,352	144,467	133,502	10,305	7,742
-	-	-	-	-	-	-	-
-	-	188,754	177,113	-	-	-	-
-	-	36	1	-	-	-	-
19,684	17,020	295,366	277,466	144,467	133,502	24,896	20,992
3,527	3,189	60,478	56,175	29,074	27,548	7,571	6,751
-	-	1,545	-	717	-	158	-
-	-	26	-	11	-	1	-
17	13	23	23	16	16	23	23
14	15	84	68	49	62	10	8
267	241	4,497	4,082	2,160	2,001	51	(13)
34	23	171	274	126	104	19	21
35	16	199	141	38	80	17	21
176	159	1,754	1,604	843	787	189	169
11	12	69	48	25	36	162	121
4,081	3,668	68,846	62,415	33,059	30,634	8,201	7,101
15,603	13,352	226,520	215,051	111,408	102,868	16,695	13,891
-	-	-	-	-	-	-	-
15,603	13,352	226,520	215,051	111,408	102,868	16,695	13,891
15,603	13,352	226,520	215,051	111,408	102,868	17,388	14,580
-	-	-	-	-	-	-	-
-	-	1,314,532	396,339	1,838,764	1,101,635	46	60
-	-	1,358,185	389,243	1,878,766	1,075,687	7,758	-
-	-	(43,653)	7,096	(40,002)	25,948	(7,712)	60
-	-	-	-	197	29	-	-
-	-	-	-	-	-	(37)	(4,882)
-	-	(634)	(971)	-	-	-	-
-	-	(4,132)	(399)	-	-	-	-
-	-	(48,419)	5,726	(39,805)	25,977	(7,749)	(4,822)
-	-	-	-	-	-	-	-
-	-	119,123	16,932	151,741	60,628	(33,290)	(20,213)
-	-	(239,131)	102,191	(166,076)	91,113	(3,842)	(13,077)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(120,008)	119,123	(14,335)	151,741	(37,132)	(33,290)
-	-	-	-	-	-	-	-
-	-	(3,195)	(1,651)	-	-	-	-
-	-	(935)	(1,544)	-	-	-	-
-	-	(4,130)	(3,195)	-	-	-	-

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Statement of Changes in Net Assets

Year ended December 31, 1994
with comparative figures for 1993

(in thousands)

Year ended December 31, 1994
with comparative figures for 1993

(in thousands)

	Investors Mortgage Fund		Investors Government Bond Fund		Investors Real Property Fund			
	(note 20)							
	1994	1993	1994	1993	1994	1993		
	\$	\$	\$	\$	\$	\$		
Net assets, beginning of year	332,332	304,853	3,557,241	2,784,457	1,743,461	1,405,402	371,914	280,100
Net income (loss)	15,603	13,352	226,520	215,051	111,408	102,868	16,695	13,891
Proceeds from sale of Mutual Fund units less commission paid	1,951,752	739,065	792,679	1,077,861	352,245	404,510	70,805	153,321
Payment on redemption of Mutual Fund units	(1,883,321)	(711,586)	(1,070,260)	(411,450)	(514,685)	(172,420)	(98,485)	(42,919)
Profit (loss) from sale of investments and foreign exchange - net	-	-	(48,419)	5,726	(39,805)	25,977	(7,749)	(4,822)
Income distributed to unitholders (note 5)	(15,603)	(13,352)	(226,520)	(215,051)	(111,408)	(102,868)	(17,388)	(14,580)
Capital gains distributed to unitholders	-	-	-	-	-	(11,121)	-	-
Decrease (increase) in allowance for mortgage loan and real estate losses	-	-	(935)	(1,544)	-	-	-	-
Net unrealized appreciation (depreciation) for the period	-	-	(239,131)	102,191	(166,076)	91,113	(3,842)	(13,077)
Net assets, end of year	400,763	332,332	2,991,175	3,557,241	1,375,140	1,743,461	331,950	371,914

Statement of Changes in Investments

Year ended December 31, 1994
with comparative figures for 1993

(in thousands)

Year ended December 31, 1994 with comparative figures for 1993 (in thousands)		Investors Mortgage Fund		Investors Government Bond Fund		Investors Real Property Fund		
		(note 20)						
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Investments at average cost, beginning of year	344,527	305,083	3,091,764	2,573,697	1,332,083	1,166,362	233,998	237,115
Add:								
Cost of investments purchased	14,188,165	12,059,662	834,721	650,253	1,840,871	1,241,408	46	-
Amortization of stripped bonds	-	-	311	398	-	-	-	-
Cost of mortgages acquired	-	-	847,430	609,730	-	-	-	-
Cost of real estate purchased and capital improvements	-	-	-	-	-	-	112,649	3,765
	14,532,692	12,364,745	4,774,226	3,834,078	3,172,954	2,407,770	346,693	240,880
Deduct:								
Mortgage principal payments received and transfers to foreclosed property	-	-	328,771	353,071	-	-	-	-
Cost of investments sold	14,130,152	12,020,218	1,358,185	389,243	1,878,766	1,075,687	12,820	6,882
Investments at average cost, end of year	<u>402,540</u>	<u>344,527</u>	<u>3,087,270</u>	<u>3,091,764</u>	<u>1,294,188</u>	<u>1,332,083</u>	<u>333,873</u>	<u>233,998</u>

Investors Global Bond Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors European Growth Fund		Investors Pacific International Fund		Investors Asset Allocation Fund		Investors Corporate Bond Fund	
(note 13)										(note 13)			
1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994		1994	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	
124,194 7,730	38,005 2,819	1,484,737 4,912	1,098,947 6,040	1,097,626 1,229	536,868 1,052	287,863 1,206	98,753 466	924,127 914	229,399 529	- (8,173)		- 1,856	
197,127 (61,082)	100,747 (19,723)	477,823 (309,141)	259,544 (170,201)	749,895 (262,248)	475,232 (124,948)	372,366 (113,924)	198,259 (45,098)	723,926 (515,273)	490,020 (133,154)	505,455 (66,792)		559,775 (1,751)	
(2,844) (7,549) (66)	1,663 (2,751) (1,013)	98,950 - -	25,806 - -	74,288 (1,265) (47,550)	21,400 (1,052) (364)	15,291 (91) (7,637)	5,473 - -	10,628 (1,015) (1)	3,705 (96) -	(1,913) - -		(63) (1,856) -	
(717) 256,793	4,447 124,194	(79,546) 1,677,735	264,601 1,484,737	(80,809) 1,531,166	189,438 1,097,626	3,797 558,871	30,010 287,863	(80,342) 1,062,964	333,724 924,127	(436) 428,141		(2,154) 555,807	

Investors Global Bond Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors European Growth Fund		Investors Pacific International Fund		Investors Asset Allocation Fund		Investors Corporate Bond Fund
(note 13)											(note 13)	
1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994		1994
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
114,463	33,100	1,024,975	978,454	744,370	438,276	217,121	85,766	478,330	190,133	-		-
253,796	111,314	639,508	634,273	797,761	514,956	437,011	233,884	292,602	307,244	625,117		525,094
-	-	-	-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-	-	-	-		-
368,259	144,414	1,664,483	1,612,727	1,542,131	953,232	654,132	319,650	770,932	497,377	625,117		525,094
-	-	-	-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-	-	-	-		-
122,023	29,951	372,788	587,752	320,807	208,862	218,151	102,529	64,088	19,047	345,849		10,378
246,236	114,463	1,291,695	1,024,975	1,221,324	744,370	435,981	217,121	706,844	478,330	279,268		514,716

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

The accounting policies of the Funds conform with generally accepted accounting principles appropriate to the mutual fund industry as follows:

- Investments are recorded at market value, established by the closing sale price for trading on the Toronto Stock Exchange or the recognized exchange on which the security is principally traded. Bonds are recorded at market value, substantially established by the closing sale price for trading on the over-the-counter market.
- Short term debt instruments are not considered to be portfolio investments and are therefore excluded from the statement of changes in investments. Short term debt instruments are valued at par value when purchased at par value and at cost when not purchased at par value.
- Foreign currency amounts included in the financial statements have been expressed in Canadian dollars on the following basis:
 - investments, short term debt instruments, foreign currency contracts, other assets and liabilities at the rate of exchange at the fiscal year end.
 - income, expense, purchases and sales of investments at the rate of exchange on the dates of such transactions.
 - realized profit and losses on foreign exchange are reflected in the statement of operations. Unrealized profit and losses on foreign exchange are included in unrealized appreciation or depreciation.
- Dividend income is recognized at the time the security trades on an ex-dividend basis.
- Conventional mortgages are valued at a principal amount to produce a yield to maturity equal to or not less than one quarter of one percent below the interest rate at which major lending institutions are making commitments on the date of valuation. Mortgages insured under the National Housing Act are valued at market value. Mortgages with installments in arrears are valued at market value unless in the opinion of the Manager it is necessary to proceed through final mortgage foreclosure or sale proceedings in which event such mortgages shall be valued at a principal amount based on estimated realizable value. Amortized cost is the cost of mortgages acquired, less the principal portion of installments received net of amortization income.
- Real estate acquired through foreclosure is recorded in the statement of net assets and unitholders' interest at the amount of interest and principal receivable at time of foreclosure less an allowance for unrealized losses.
- The cost of real estate investments and other real property investments represents acquisition cost plus cost of capital improvements.
- Real estate investments are valued at cost at the date of acquisition and thereafter are valued at market based on a capitalization of income formula. Other real property investments are valued at market based on appraisals. Appraisals of real estate investments and other real property investments are obtained from qualified independent appraisers annually as of the anniversary date of the acquisition of property, or more frequently, if in the opinion of the trustee, there has been some factor or change which has materially affected the value of the property as expressed in the most recent appraisal of the property. No depreciation is recorded on real property investments or other real property investments.
- Co-ownerships are accounted for by the proportionate consolidation method. The Fund's proportionate share of the assets, liabilities, income and expenses of its interest are recorded in these financial statements.

2. Per unit information:

Per unit calculations were made as undernoted:

- Net asset value - on the number of units outstanding at the end of the fiscal period.
- Net income - on the average of the number of units outstanding at the beginning of each valuation day in the fiscal period.
- Income distributed - on the number of units outstanding at the beginning of each allocation date in the fiscal period (except for Investors Retirement Mutual Fund).
- Capital gains distributed - on the number of units outstanding as at December 31.

		Investors Mortgage Fund	Investors Government Bond Fund	Investors Real Property Fund	Investors Global Bond Fund
		(note 20)			
1994 (note 13)					
Net Asset value per unit					
at December 31	\$ 1.00	\$ 4.81	\$ 4.36	\$ 4.43	\$ 5.18
The average net income per unit	.044	.323	.302	.199	.237
Income distributed per unit	.044	.323	.302	.207	.237
Capital gains distributed per unit	-	-	-	-	-
1993					
Net Asset value per unit					
at December 31	\$ 1.00	\$ 5.22	\$ 4.92	\$ 4.57	\$ 5.37
The average net income per unit	.042	.346	.314	.198	.207
Income distributed per unit	.042	.346	.314	.209	.207
Capital gains distributed per unit	-	-	.032	-	.045
1992 (note 13)					
Net Asset value per unit					
at December 31	\$ 1.00	\$ 5.05	\$ 4.59	\$ 4.83	\$ 4.86
The average net income per unit	.055	.382	.337	.243	.045
Income distributed per unit	.055	.382	.337	.273	.032
Capital gains distributed per unit	-	-	.042	-	.003
1991					
Net Asset value per unit					
at December 31	\$ 1.00	\$ 5.10	\$ 4.63	\$ 5.19	\$ -
The average net income per unit	.085	.441	.349	.331	-
Income distributed per unit	.085	.441	.349	.319	-
Capital gains distributed per unit	-	-	-	-	-
1990 (note 13)					
Net Asset value per unit					
at December 31	\$ 1.00	\$ 4.91	\$ 4.21	\$ 5.26	\$ -
The average net income per unit	.117	.488	.378	.432	-
Income distributed per unit	.117	.488	.378	.432	-

2. Per unit information: (continued)

1994 (note 13)

	Investors Retirement Mutual Fund	Investors Canadian Equity Fund	Investors European Growth Fund	Investors Pacific International Fund	Investors Asset Allocation Fund	Investors Corporate Bond Fund
Net Asset value per unit at December 31	\$ 12.10	\$ 8.78	\$ 6.86	\$ 11.81	\$ 4.78	\$ 9.79
The average net income per unit	.037	.008	.019	.011	(.116)	.382
Income distributed per unit	-	.008	.002	.012	-	.263
Capital gains distributed per unit	-	.282	.095	-	-	-
1993						
Net Asset value per unit at December 31	\$ 11.90	\$ 9.06	\$ 6.61	\$ 12.67	\$ -	\$ -
The average net income per unit	.051	.011	.019	.011	-	-
Income distributed per unit	-	.011	-	.001	-	-
Capital gains distributed per unit	-	.004	-	-	-	-
1992 (note 13)						
Net Asset value per unit at December 31	\$ 9.41	\$ 6.90	\$ 5.39	\$ 6.74	\$ -	\$ -
The average net income per unit	.105	.079	.022	.069	-	-
Income distributed per unit	-	.077	.010	.047	-	-
Capital gains distributed per unit	-	-	-	.148	-	-
1991						
Net Asset value per unit at December 31	\$ 9.58	\$ 6.57	\$ 5.33	\$ 5.86	\$ -	\$ -
The average net income per unit	.210	.158	.047	.064	-	-
Income distributed per unit	-	.153	.043	.050	-	-
Capital gains distributed per unit	-	.010	-	-	-	-
1990 (note 13)						
Net Asset value per unit at December 31	\$ 8.58	\$ 5.87	\$ 4.85	\$ 4.94	\$ -	\$ -
The average net income per unit	.379	.232	.036	.084	-	-
Income distributed per unit	-	.231	.029	.055	-	-

3. Management fees and other expenses:

a) I.G. Investment Management, Ltd. and I.G. International Management Limited (the Managers) provide investment and advisory services for a management fee as provided by the Investment Management and Service Agreements.

The average percentage of management fees and expenses (excluding GST) to average net assets for the years ended as noted are:

	Investors Mortgage Fund	Investors Government Bond Fund	Investors Real Property Fund	Investors Global Bond Fund*
(note 20)				
1994 (note 13)				
Management fees	% 1.00	% 1.73	% 2.00	% 1.97
Expenses	% .08	% .11	% .15	% .20
	% 1.08	% 1.84	% 2.15	% 2.17
1993				
Management fees	% 1.00	% 1.75	% 2.00	% 2.00
Expenses	% .08	% .07	% .13	% .15
	% 1.08	% 1.82	% 2.13	% 2.15
1992 (note 13)				
Management fees	% 1.00	% 1.75	% 2.00	% 2.00
Expenses	% .08	% .07	% .12	% .49
	% 1.08	% 1.82	% 2.12	% 2.49
1991				
Management fees	% 1.00	% 1.75	% 2.00	% -
Expenses	% .08	% .09	% .19	% -
	% 1.08	% 1.84	% 2.19	% -
1990 (note 13)				
Management fees	% 1.00	% 1.38	% 1.44	% -
Expenses	% .08	% .09	% .14	% -
	% 1.08	% 1.47	% 1.58	% -

	Investors Retirement Mutual Fund	Investors Canadian Equity Fund	Investors European Growth Fund*	Investors Pacific International Fund*	Investors Asset Allocation Fund*	Investors Corporate Bond Fund*
1994 (note 13)						
Management fees	% 2.00	% 2.00	% 2.00	% 2.00	% 2.25	% 1.66
Expenses	% .12	% .12	% .17	% .26	% .15	% .30
	% 2.12	% 2.12	% 2.17	% 2.26	% 2.40	% 1.96
1993						
Management fees	% 2.00	% 2.00	% 2.00	% 2.00	% -	% -
Expenses	% .08	% .08	% .16	% .24	% -	% -
	% 2.08	% 2.08	% 2.16	% 2.24	% -	% -
1992 (note 13)						
Management fees	% 2.00	% 2.00	% 2.00	% 2.00	% -	% -
Expenses	% .10	% .09	% .22	% .34	% -	% -
	% 2.10	% 2.09	% 2.22	% 2.34	% -	% -
1991						
Management fees	% 2.00	% 2.00	% 2.00	% 2.00	% -	% -
Expenses	% .11	% .12	% .39	% .54	% -	% -
	% 2.11	% 2.12	% 2.39	% 2.54	% -	% -
1990 (note 13)						
Management fees	% 1.44	% 1.44	% 2.00	% 2.00	% -	% -
Expenses	% .12	% .13	% 2.00	% 1.84	% -	% -
	% 1.56	% 1.57	% 4.00	% 3.84	% -	% -

*All ratios presented are annualized for periods of less than one year (see note 13).

Notes to Financial Statements

3. Management fees and other expenses: (continued)

- b) Investors Group Financial Services Inc. and Les Services Investors Limitée (The Distributors) are paid a service fee to compensate for the costs associated with the selling of the Funds across Canada (with the exception of Investors Money Market Fund, Investors Mortgage Fund, Investors Government Bond Fund, Investors Global Bond Fund, and Investors Corporate Bond Fund). A portion of the service fee is rebated to eligible unitholders on a quarterly basis as outlined in each Funds' prospectus. The rebate of the service fee is required to be reinvested in additional units at their net asset value.
- c) The management fee and other expense ratio may vary from mutual fund to mutual fund.
- d) Goods and Services tax paid by the Funds on their expenses is not recoverable. Investors Real Property Fund collects GST on its commercial rents and is eligible to claim input tax credits for the GST paid on its expenses that can be attributed to its commercial activities.
- e) Other expenses are comprised of bank charges and other miscellaneous expenses.
- f) The Funds are responsible for the payment of all direct expenses related to their operation. The Managers also provide or arrange for the provision of unitholder services such as transfer agent and administration services to the Funds. The Funds pay the Managers for the cost of these services. The Managers may, at their discretion, absorb a portion of the expenses otherwise chargeable to the Funds.

4. Units outstanding:

	Investors Money Market Fund		Investors Mortgage Fund	
	1994	1993	1994	1993
Units outstanding, beginning of year	332,331,979	304,852,820	681,365,836	551,469,869
Add (deduct):				
Units sold during the year	1,951,751,839	739,064,890	158,123,467	210,784,551
Units redeemed during the year	(1,883,320,655)	(711,585,731)	(217,818,272)	(80,888,584)
Units outstanding, end of year	<u>400,763,163</u>	<u>332,331,979</u>	<u>621,671,031</u>	<u>681,365,836</u>

	Investors Government Bond Fund		Investors Real Property Fund	
	1994	1993	1994	1993
Units outstanding, beginning of year	354,548,395	305,831,944	81,366,189	58,031,167
Add (deduct):				
Units sold during the year	76,476,760	85,044,037	15,625,670	32,376,856
Units redeemed during the year	(115,442,348)	(36,327,586)	(21,970,866)	(9,041,834)
Units outstanding, end of year	<u>315,582,807</u>	<u>354,548,395</u>	<u>75,020,993</u>	<u>81,366,189</u>

Class A Units outstanding*			16,088,819	14,992,394
Class B Units outstanding*			58,932,174	66,373,795
			<u>75,020,993</u>	<u>81,366,189</u>

* Class A and Class B unitholders share equally in the allocation of net income, capital cost allowance and net realized capital gains of the Fund.
Class A units are a qualified investment for Registered Retirement Savings Plans. Class B units are not tax exempt.

	Investors Global Bond Fund		Investors Retirement Mutual Fund	
	1994	1993	1994	1993
Units outstanding, beginning of year	23,144,863	7,819,180	124,755,389	116,785,592
Add (deduct):				
Units sold during the year	38,031,452	19,123,637	39,216,767	24,119,045
Units redeemed during the year	(11,618,653)	(3,797,954)	(25,300,135)	(16,149,248)
Units outstanding, end of year	<u>49,557,662</u>	<u>23,144,863</u>	<u>138,672,021</u>	<u>124,755,389</u>

	Investors Canadian Bond Fund		Investors European Growth Fund	
	1994	1993	1994	1993
Units outstanding, beginning of year	121,144,493	77,799,746	43,570,625	18,341,290
Add (deduct):				
Units sold during the year	81,667,406	58,744,577	54,831,182	32,863,527
Units redeemed during the year	(28,488,367)	(15,399,830)	(16,875,019)	(7,634,192)
Units outstanding, end of year	<u>174,323,532</u>	<u>121,144,493</u>	<u>81,526,788</u>	<u>43,570,625</u>

	Investors Pacific International Fund		Investors Asset Allocation Fund	
	1994	1993	1994	(note 13)
Units outstanding, beginning of year	72,916,642	34,040,027	0	
Add (deduct):				
Units sold during the year	59,533,114	52,674,976	103,584,863	
Units redeemed during the year	(42,450,616)	(13,798,361)	(14,054,710)	
Units outstanding, end of year	<u>89,999,140</u>	<u>72,916,642</u>	<u>89,530,153</u>	

	Investors Corporate Bond Fund	
	1994	(note 13)
Units outstanding, beginning of year	0	
Add (deduct):		
Units sold during the year	56,928,600	
Units redeemed during the year	(176,800)	
Units outstanding, end of year	<u>56,751,800</u>	

5. Income allocation and distribution:

It is the policy of each Fund to allocate and distribute income under the terms of their trust agreements as follows:

Fund Name	Frequency of Allocation	Frequency of Distribution
Investors Mortgage Fund	Daily	Monthly
Investors Government Bond Fund (note 20)	Semi-monthly	Quarterly
Investors Real Property Fund	Semi-monthly	Quarterly
Investors Global Bond Fund	Semi-monthly	Quarterly
Investors Canadian Equity Fund	Quarterly	Annually
Investors European Growth Fund	Annually	Annually
Investors Pacific International Fund	Annually	Annually
Investors Asset Allocation Fund	Monthly	Quarterly
Investors Corporate Bond Fund	Daily	Quarterly

The Funds are not subject to tax on income and realized capital gains allocated to unitholders and accordingly no provision for income taxes is required in the statements of operations. Taxes payable on capital gains are refundable on a formula basis and have no impact on net income.

Investors Global Bond Fund, Investors European Growth Fund and Investors Pacific International Fund are subject to foreign withholding tax and it is the policy of the Funds to retain sufficient income to fully utilize the foreign credits available.

Investors Retirement Mutual Fund's income and realized capital gains are payable to the unitholders on demand only through redemption of units of the Fund.

6. Brokers commissions:

Total commissions paid to brokers in connection with portfolio transactions for the years ended December 31, 1994 and 1993 are:

	1994	1993
	\$	\$
Investors Mortgage Fund	-	-
Investors Government Bond Fund (note 20)	-	-
Investors Real Property Fund	-	-
Investors Global Bond Fund	-	-
Investors Retirement Mutual Fund	2,452,709	3,081,912
Investors Canadian Equity Fund	2,869,243	1,980,153
Investors European Growth Fund	1,573,717	1,027,134
Investors Pacific International Fund	1,372,189	1,818,289
Investors Asset Allocation Fund	40,781	-
Investors Corporate Bond Fund	-	-

During the fiscal years ended December 31, 1994 and 1993 the Manager acted as agent in connection with the following values in purchase and sales transactions for the Funds and other Investors Mutual Funds or Pooled Trusts of which it is the Manager. The transactions were executed at market value with normal terms of settlement. No commissions were paid on these transactions.

	Purchase (sale) December 31	
	1994	1993
	\$	\$
Investors Mortgage Fund	(262,597,505)	-
Investors Government Bond Fund (note 20)	(218,042,870)	-
Investors Real Property Fund	-	-
Investors Global Bond Fund	-	-
Investors Retirement Mutual Fund	-	1,916,456
Investors Canadian Equity Fund	-	3,045,197
Investors European Growth Fund	89,898	-
Investors Pacific International Fund	-	828,642
Investors Asset Allocation Fund	-	-
Investors Corporate Bond Fund	480,640,375	-

7. Investors Portfolio Funds:

The units of the Funds (with the exception of Investors Asset Allocation Fund and Investors Money Market Fund) are being purchased by one or more of the Investors Portfolio Funds. These Portfolio Funds have their investments entirely in the units of mutual funds distributed by Investors Group Financial Services Inc. and Les Services Investors Limitée and managed by I.G. Investment Management, Ltd. The manager of the Portfolio Funds will purchase or redeem units of the Funds based entirely on the requirements of the Portfolio Funds.

8. Redemptions:

Unitholders have the right to redeem all or part of their units at any time. This may be done by completing a Redemption Request or by writing a letter to the Fund(s) (address on the next page) and by attaching the Unit Certificate where applicable. For Investors Real Property Fund, redemption requests must be received by the Fund thirty days prior to the valuation day on which the units will be redeemed.

Notes to Financial Statements

9. Portfolio transactions:

A statement of portfolio transactions (unaudited) for the fiscal period ended December 31, 1994 will be provided, without charge by writing to:

Investors Group Inc.
One Canada Centre
447 Portage Avenue
Winnipeg, Manitoba
R3C 3B6

10. Current annual information form:

A copy of the current annual information form (or prospectus in the case of Investors Real Property Fund) can be obtained by writing to the address above.

11. Income reinvestment:

A unitholder may terminate any authorization given for providing for automatic investment of income or capital gains for Investors Money Market Fund if minimum requirements are met and the Fund is provided with the required notice. For Investors Mortgage Fund, Investors Government Bond Fund (note 20), Investors Global Bond Fund, Investors Real Property Fund and Investors Corporate Bond Fund a unitholder may terminate any authorization given for providing for automatic investment of income or capital gains with proper notification provided to the Funds. For the remaining Funds, all income is required to be reinvested in additional units at their net asset value.

12. Par value:

Foreign currency amounts included in the financial statements, except the par value of securities, have been expressed in Canadian dollars. The par value of securities are expressed in the currency of origin unless otherwise noted.

13. General and other information:

Each of the Funds were organized as unincorporated unit trusts by Trust Agreements dated as noted below between I.G. Investment Management, Ltd. as Manager and Investors Group Trust Co. Ltd. as Fund Trustee.

Fund	Date	
<u>Investors Mortgage Fund</u>	April 15, 1985	
<u>Investors Government Bond Fund (note 20)</u>	August 3, 1973	
<u>Investors Real Property Fund</u>	April 2, 1979	
<u>Investors Global Bond Fund</u>	November 2, 1983	
<u>Investors Retirement Mutual Fund</u>	May 1, 1992	Commenced operations September 8, 1992. Fiscal period financial information for 1992 is presented for the period from September 8 to December 31.
<u>Investors Bond/Equity Growth Fund</u>	November 18, 1971	
<u>Investors European Growth Fund</u>	September 26, 1983	
<u>Investors Pacific International Fund</u>	June 1, 1990	Commenced operations September 11, 1990. Fiscal period financial information for 1990 is presented for the period from September 11 to December 31.
<u>Investors Asset Allocation Fund</u>	June 1, 1990	Commenced operations September 11, 1990. Fiscal period financial information for 1990 is presented for the period from September 11 to December 31.
<u>Investors Money Market Fund</u>	November 1, 1993	Commenced operations January 17, 1994. Fiscal period financial information for 1994 is presented for the period from January 17 to December 31.
<u>Investors Corporate Bond Fund</u>	January 26, 1994	Commenced operations May 9, 1994. Fiscal period financial information for 1994 is presented for the period from May 9 to December 31.

14. Commitments:

Investors Asset Allocation Fund

As at December 31, 1994 the Fund held the following futures contracts:

Number of Contracts	Type of Contract	Expiry Date	Unrealized Gain/(Loss) (Canadian \$)
355	Canadian Government 10 Year Bond Futures	March 1995	\$ (169,000)
203	TSE 100 Stock Index Futures	March 1995	867,675
233	TSE 35 Stock Index Futures	March 1995	991,520
13	FTSE 100 Stock Index Futures	March 1995	9,279
209	Simex Nikkei 225 Stock Index Futures	March 1995	588,962
50	Osaka Nikkei 300 Stock Index Futures	March 1995	29,025
19	Hang Seng Stock Index Futures	January 1995	(26,696)
1,358	IBEX 35 Stock Index Futures	January 1995	(353,443)
165	IBEX 35 Stock Index Futures	March 1995	(56,900)

The above futures contracts are financial agreements to purchase or sell the contracts at a specified price on a specified future date. The Fund does not intend to purchase or sell these contracts on settlement; it intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts.

Investors Real Property Fund

At December 31, 1994, the Fund held requests for the redemption of 362,549 fund units due January 13, 1995 and 121,778 due January 31, 1995.

15. Canada Way Business Park:

Investors Real Property Fund entered into a long-term lease effective October 9, 1990, with an option to purchase 75% of Canada Way Business Park, 4878 Manor Street, Burnaby, B.C. The Fund's portion of the option to purchase is \$6,900,000 and is exercisable at any time prior to July 31, 2006. Under the option to purchase arrangement, the Fund is committed, until such time as the option to purchase is exercised, to annual lease payments of \$483,000 (August 1, 1991 to July 31, 1996) and \$552,000 (August 1, 1996 to July 31, 2006).

15. Canada Way Business Park: (continued)

The purchase option liability is being increased over the life of the lease to the future purchase price of \$6,900,000 at the expiration of the lease. This increase together with the lease payments and the land taxes is being expensed and is included in property development expense in the Statement of Operations.

All pre-development costs are capitalized and are assigned a market value of \$0 until a phase of the development has been completed.

During 1994, \$692,692 (1993 - \$689,193) in carrying costs were expensed in computing the Fund's accounting income but were not deducted in computing the net income for tax purposes for the year. The accounting treatment for these carrying costs causes the Fund's income for tax purposes to differ from the income for accounting purposes.

The land is subject to an annual appraisal and is valued at market. The land was appraised effective October 9, 1994, the anniversary date, by Burgess, Austin & Associates at a market value of \$5,700,000.

16. Appraisals:

In accordance with an investment analysis prepared by McKenzie, Ray, Heron & Edwardh, dated December 30, 1994, the market value of Investors Real Property Fund's 65% interest of 99 Avenue Road, Toronto, Ontario was estimated to be \$1,885,000 as at December 31, 1994.

The trustees are not aware of any other factor or change which has materially affected the most recent appraisal of each of the properties owned by the Fund.

17. Premiums and discounts on mortgages:

For Investors Mortgage Fund, premiums and discounts on mortgages purchased are amortized on a straight line basis over the term of the mortgage.

18. Mortgage loans and arrears:

For Investors Mortgage Fund, a loan is classified as non-accrual when interest or principal is contractually past due 90 days. Once a loan is classified as non-accrual, any uncollected interest is reversed and charged against income in the current period. Thereafter, interest income is recognized on a cash basis.

19. Long term debt:

	1994	1993
Mortgage on 750 Cambie Street with interest at 10% per annum, monthly payments of \$10,734, maturing October 1, 1996	\$ 215,695	\$ 323,276
Mortgage on Imperial Square Business Park with interest at 10% per annum, monthly payments of \$62,892, maturing November 1, 1996	6,224,397	6,361,830
Mortgage on Impact Plaza with interest at 8.875% per annum, monthly payments of \$90,176, maturing October 1, 1997	10,706,799	10,848,989
Mortgage on Reed Stenhouse Building with interest at 10.45% per annum, monthly payments of \$46,247, maturing December 1, 1997	4,565,907	4,642,560
Mortgage on 11450 Cote de Liesse Road with interest at 12.50% per annum, monthly payments \$6,402, maturing February 1, 1996	469,167	487,580
Mortgage on 703-729 Meloche with interest at 12.50% per annum, monthly payments \$5,986, maturing February 1, 1996	438,670	455,886
Mortgage on 2 Hanover with interest at 13.50% per annum, monthly payments of \$52,593, maturing June 1, 1995	4,638,702	-
Mortgage on 4 Hanover with interest at 13.50% per annum, monthly payments of \$65,130, maturing December 1, 1995	5,750,076	-
Mortgage on 2 Hanover with interest at 0% per annum and no payments until maturity, interest will be at 14.25% per annum if the principal is not paid on maturity, June 1, 2000	1,643,850	-
Mortgage on 4 Hanover with interest at 0% per annum and no payments until maturity, interest will be at 14.25% per annum if the principal is not paid on maturity, December 1, 2000	1,895,400	-
Mortgage on 6299 Airport Road with interest at 11.25% per annum, monthly payments of \$12,995, maturing June 1, 2003	1,232,720	-
Mortgage on 6303 Airport Road with interest at 10.75% per annum, monthly payments of \$15,740, maturing April 1, 2001	1,605,249	-
Mortgage on 6715-6725 Airport Road with interest at 11.625% per annum, monthly payments of \$39,882, maturing May 1, 2001	428,605	-
Mortgage on Britannia Place with interest at 11.72% per annum, monthly payments of \$52,916, maturing May 1, 2014	5,140,260	-
Mortgage on Heartland Corporation Centre with interest at 10.875% per annum, monthly payments of \$51,752, maturing March 1, 2010	5,160,630	-
Mortgage on 6509 Airport Road with interest at 17.125% per annum, monthly payments of \$17,637, maturing July 1, 1998	1,219,521	-
Mortgage on 6655 Airport Road with interest at 10.70% per annum, monthly payments of \$3,403, maturing June 1, 1998	333,832	-
Mortgage on 6695 Airport Road with interest at 11.625% per annum, monthly payments of \$11,063, maturing May 1, 2001	351,102	-
Mortgage on 3035 Orlando Drive with interest at 11.25% per annum, monthly payments of \$5,389, maturing May 13, 2001	491,399	-
Mortgage on 5201 Explorer Drive with interest at 12.65% per annum, monthly payments of \$13,471, maturing July 15, 2000	1,119,142	-
Mortgage on 81 Maybrook Drive with interest at 10.625% per annum, monthly payments of \$11,711, maturing July 1, 2002	1,000,193	-
Mortgage on 875 Middlefield Road with interest at 11.625% per annum, monthly payments of \$18,606, maturing June 1, 2008	1,725,746	-
Mortgage on 335 Passmore Avenue with interest at 10.75% per annum, monthly payments of \$9,454, maturing August 1, 1997	910,525	-
Mortgage on 345 Passmore Avenue with interest at 12.625% per annum, monthly payments of \$8,069, maturing March 13, 2000	668,910	-
Mortgage on 230 Barmac Drive with interest at 10.25% per annum, monthly payments of \$9,570, maturing June 16, 1998	672,096	-

Notes to Financial Statements

19. Long term debt: (continued)

	<u>1994</u>	<u>1993</u>
Mortgage on 590 Barmac Drive with interest at 12.625% per annum, monthly payments of \$7,531, maturing February 13, 2001	\$ 633,923	\$ -
Mortgage on 650 Barmac Drive with interest at 10.70% per annum, monthly payments of \$5,644, maturing June 1, 1998	553,636	-
Mortgage on 250 Fenmar Drive with interest at 12.125% per annum, monthly payments of \$12,105, maturing April 1, 1995	1,027,899	-
Mortgage on 400 Fenmar Drive with interest at 11.25% per annum, monthly payments of \$10,225, maturing July 13, 2001	943,863	-
Mortgage on 1235 Ormont Drive with interest at 11.625% per annum, monthly payments of \$16,595, maturing May 1, 2001	845,459	-
Mortgage on 1295 Ormont Drive with interest at 10.70% per annum, monthly payments of \$12,148, maturing June 1, 1998	1,191,729	-
Mortgage on 1700-1880 Ormont Drive with interest at 12.40% per annum, monthly payment of \$6,964, maturing June 17, 2005	633,009	-
Mortgage on 55 East Beaver Creek Road with interest at 11.13% per annum, monthly payments of \$22,223, maturing March 1, 1996	2,033,022	-
Mortgage on 60 Leek Crescent with interest at 11.125% per annum, monthly payments of \$20,977, maturing December 18, 1996	1,962,967	-
	<u>\$ 68,434,100</u>	<u>\$ 23,120,121</u>
Current portion of long term debt	<u>\$ 12,259,469</u>	<u>\$ 498,436</u>

20. Name change:

At a special meeting of unitholders of Investors Bond Fund held on September 23, 1994, a special resolution was approved to allow for the change of the Fund's name to Investors Government Bond Fund.

21. Comparative figures:

Certain 1993 comparative figures have been restated to conform with the current year's presentation.

AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the statements of net assets and unitholders' interest of Investors Money Market Fund, Investors Mortgage Fund, Investors Government Bond Fund, Investors Real Property Fund, Investors Global Bond Fund, Investors Retirement Mutual Fund, Investors Canadian Equity Fund, Investors European Growth Fund and Investors Pacific International Fund (the Funds) as at December 31, 1994 and 1993 and the statements of operations, changes in net assets and changes in investments for the two years then ended. We have also audited the statements of net assets and unitholders' interest of Investors Asset Allocation Fund and Investors Corporate Bond Fund as at December 31, 1994 and the statements of operations, changes in net assets and changes in investments for the period from inception January 17, 1994 and May 9, 1994 (respectively) to December 31, 1994. We have also audited the statements of investments as at December 31, 1994. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits.

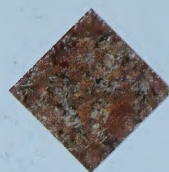
We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 1994 and 1993, the investments of the Funds as at December 31, 1994 and the results of their operations and the changes in their net assets and investments for the two years ended December 31, 1994 and 1993 in accordance with generally accepted accounting principles. In our opinion, these financial statements also present fairly, in all material respects, the financial position and investments of Investors Asset Allocation Fund and Investors Corporate Bond Fund as at December 31, 1994 and the results of their operations and the changes in their net assets and investments for the period from inception January 17, 1994 and May 9, 1994 (respectively) to December 31, 1994 in accordance with generally accepted accounting principles.

Winnipeg, Canada
January 23, 1995

KPMG Peat Marwick Thorne
Chartered Accountants

Financial Planning Centres



BRITISH COLUMBIA

Burnaby – Metro	(604) 431-0117
Campbell River	(604) 287-4739
Chilliwack	(604) 792-7943
Clearbrook – Fraser Valley	(604) 853-8111
Courtenay	(604) 338-7811
Cranbrook	(604) 489-6100
Kamloops	(604) 372-2955
Kelowna	(604) 762-3329
Nanaimo	(604) 754-8223
Nelson	(604) 352-7777
New Westminster	(604) 526-3725
Penticton	(604) 492-8806
Prince George – B.C. North	(604) 564-2310
Richmond	(604) 270-7700
Surrey (opening May 1, 1995)	(604) 572-5176
Vancouver – Downtown	(604) 682-5431
Vancouver – City Square	(604) 879-2354
Vernon	(604) 545-9188
Victoria	(604) 388-4234
Victoria – Metro	(604) 475-3499

ALBERTA

Calgary – North Hill	(403) 284-0494
Calgary – Centre	(403) 229-0555
Calgary – South	(403) 278-9750
Calgary – Chinook	(403) 253-4840
Edmonton – Centre	(403) 424-3000
Edmonton – South Side	(403) 468-1658
Edmonton – Metro	(403) 448-1988
Edmonton – Mayfield	(403) 486-5000
Lethbridge – Alberta South	(403) 328-2600
Red Deer	(403) 343-7030

SASKATCHEWAN

Regina	(306) 757-3511
Saskatoon – East	(306) 653-3207
Saskatoon – Preston	(306) 955-9190

MANITOBA

Brandon	(204) 729-2000
Winnipeg – Broadway	(204) 956-0480
Winnipeg – Downtown	(204) 943-6828
Winnipeg – South	(204) 489-4640
Winnipeg – West	(204) 786-2708

ONTARIO

Barrie	(705) 726-7836
Brampton	(905) 450-1500
Cornwall	(613) 933-7777
Guelph	(519) 836-6320
Grimsby	(905) 945-4554
Hamilton	(905) 529-7165
Kingston	(613) 542-4941
Kitchener	(519) 886-2360
Lindsay	(705) 878-3863
London	(519) 679-8993
London – West	(519) 641-8998
Markham	(905) 737-8966

ONTARIO (con't)

Mississauga	(905) 306-0031
Niagara Falls	(905) 374-2842
North Bay	(705) 472-4731
Oakville	(905) 847-7776
Oshawa/Whitby	(905) 434-8400
Ottawa – Downtown	(613) 798-7700
Ottawa – East	(613) 742-8018
Ottawa – Nepean	(613) 723-7200
Owen Sound	(519) 372-1177
Peterborough	(705) 876-1282
Sarnia	(519) 336-4262
Sault Ste. Marie	(705) 759-0220
St. Catharines	(905) 682-7292
Sudbury	(705) 674-4551
Thunder Bay	(807) 345-6363
Toronto – Don Mills	(416) 449-0600
Toronto – Downtown	(416) 860-1668
Toronto – East	(416) 292-7229
Toronto – Fairview	(416) 491-7400
Toronto – West	(416) 236-2564
Windsor	(519) 969-7526

QUÉBEC

Brossard – Rive Sud	(514) 443-6496
Chicoutimi – Saguenay	(418) 696-1331
Hull – Gatineau	(819) 243-6497
Laval	(514) 973-2333
Montréal – Anjou	(514) 493-1669
Montréal – Décarie	(514) 733-1796
Montréal – Jacques Cartier	(514) 528-1380
Montréal – Île Des Soeurs	(514) 766-7736
Montréal – Westmount	(514) 935-3520
Montréal – West Island	(514) 426-0886
Québec	(418) 649-1143
Sainte Foy	(418) 654-1411
Saint Georges – Beauce Amiante	(418) 227-8631
Sherbrooke	(819) 566-0666
Trois-Rivières – La Mauricie	(819) 378-2371
Val D'Or – Abitibi – Témiscamingue	(819) 825-8533

NEW BRUNSWICK

Moncton	(506) 857-8055
Saint John	(506) 632-8930
Fredericton	(506) 458-9930

PRINCE EDWARD ISLAND

Charlottetown	(902) 566-4661
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NOVA SCOTIA

Dartmouth	(902) 468-3444
Halifax	(902) 423-8294
Sydney	(902) 562-5000
Truro – Nova North	(902) 893-1306

NEWFOUNDLAND

Corner Brook	(709) 634-3126
St. John's	(709) 753-4300



Investors Group Financial Services Inc.

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